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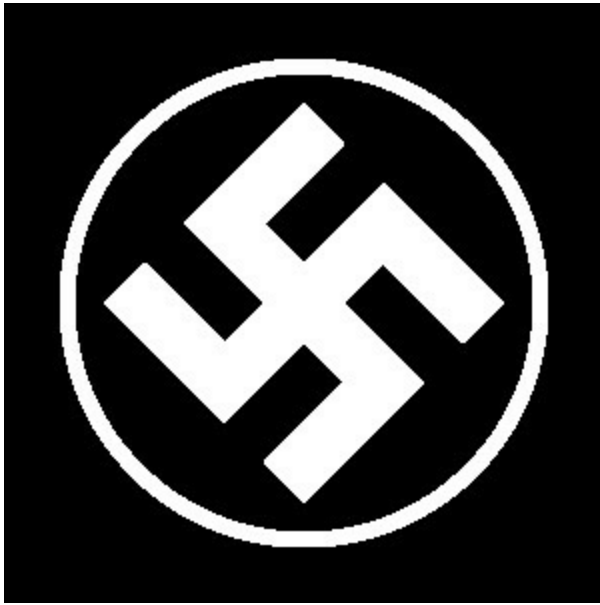


MARTIN BORMANN



NAZI IN EXILE

By Paul Manning



MARTIN

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*To my wife, Peg, and to our four sons,
Peter, Paul, Gerald and John, whose
collective encouragement and belief in
this book as a work of historic impor-
tance gave me the necessary persistence*

[FACSIMILE ELECTRONIC EDITION 2005]

and determination to keep going.

First edition

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To those retired agents of the U.S. Treasury Department whose reports and

files brought into focus the magnitude of Martin Bormann's campaign to shift the liquid assets of Germany to neutral nations during the last months of the war.

To those German nationals who, for the sake of history and to set the record straight about the leader they believe was the mainspring of West Germany's postwar recovery, contributed to my knowledge and insights into the remarkable Bormann organization.

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Eva Braun when she was secretary to Hitler's personal photographer.

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Purported grave of General Mueller in Berlin.

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The author with Dr. Hermann J. Abs, Honorary President of Deutsche Bank A.G.

Paul Manning as a CBS news correspondent during World War II.

PREFACE

DID THE WORLD EVER REALLY KNOW MARTIN

Bormann? A man of indescribably vast power and the sole trustee of Hitler's secrets after May 1, 1945, in the Berlin bunker, Bormann continues to be the most controversial, per-plexing figure of our times. There are those who wish him dead and continue to claim he is; for were he to emerge, it would embarrass the governments that assisted in his escape, the industrial and financial leaders who benefited from his acumen and transferred their capital to neutral nations in the closing days of World War II, and the businessmen of four continents who profited from the 750 corporations he established throughout the world as depositories of money, patents, bearer bonds, and shares in blue chip industries of the United States and Europe.

There are also those who know he is not dead, and I am among those who hold this belief. When I penetrated the silence cloaking this story, after countless interviews and laborious research in German and American archives for revealing documents of World War II, I knew that the Bormann saga of flight capital and his escape to South America was really true.

It had been covered up by an unparalleled manipulation of public opinion and the media. The closer I got to the truth, the more quiet attention I received from the forces surrounding and protecting Martin Bormann, and also from those who had a direct interest in halting my investigation. Over the period of years it took to research this book, I was the object of diligent observation by squads of Gestapo agents dispatched from South America by General "Gestapo" Mueller, who directs all security matters for Martin Bormann, Nazi in exile, and his organization, the most remarkable business group anywhere in the secret world of today. Mueller's interest in me, an American

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journalist, confirmed the truth of my many interviews and my scribed Bormann in those last days of downfall as "immune from ongoing investigation: Bormann is alive, they don't want waves, the general hysteria; calm and undismayed in the midst of mad-so they have been willing to

expend immense time and money men, as though this 'Twilight of the Gods' was no affair of in tracking me and my progress.

his, as though the sun would always rise for him, and intriguing There are also those in international government and business up to the last."

who have attempted to stop my forward movement on this inves-Martin Bormann was last seen for sure in a tank crossing the tigation. In Germany, France, England, and the United States, Weidendamm Bridge in Berlin, on the night of May 1, 1945.

too many leaders in government and finance still adhere to Then, for most of the world, he vanished.

Winston Churchill's statement to his Cabinet in 1943: "In Nor are the Russians convinced that Bormann died in Berlin.

wartime, truth is so precious that she should always be attended The Soviet KGB assigned a Major L. Besymenski in the late by a bodyguard of lies." For these leaders act as if the war is still 1960s to probe the "death or escape" of Bormann. After two on, especially when they are trying to protect their flanks, their years of painstaking investigation, his report *On the Trail of* wealth, and their influential peers in government, business, and *Martin Bormann* concluded that there was a successful escape to banking. The West German government fears this story will South America.

emerge and will do harm to its growing prestige, which is really The U.S. CIA, on the other hand, theorized that the Reichs-the one resounding victory the German nation can point to with leiter had succumbed to shellfire as he fled the bunker.

pride. Yet because they are unsure how it will be received by their Staunchly insisting this was so, the CIA, for some unexplained allies of today, and because many in the Federal Republic of policy reason, advanced, promoted, and encouraged this belief.

Germany bear the burdens of war guilt, the prudent course, they They intervened, for instance, when General Reinhard Gehlen believe, is silence,

and, when necessary, the implied intimidation was arranging to publish his memoirs. Gehlen had run the of publishers and literary agents who might be tempted to run German espionage network in Russia during World War II, and with this story. But Martin Bormann, Nazi in Exile, is a great later, under Chancellor Konrad Adenauer during the cold war slice of true history whose time has come for publication.

years, had served as chief of the German Federal Intelligence. Oddly, I encountered less resistance from Martin Bormann Service. The CIA obliged him to include a statement that and his aging peers than I did from the cover-up groups in West. Martin Bormann had been a Kremlin spy, and had died in Germany, Paris, London, Washington, and Wall Street. Bor-Russia in 1969! I am told that the general complied with reluctance; he knows he is mortal, as are his cronies who have turned traitor, but was indebted to the CIA; during the cold war they over the day-to-day direction of the Bormann organization to a had funded his Eastern Europe/Soviet spy operation of 4,000

younger leadership. The old guard want the story told, and the men at an annual cost to the U.S. taxpayers of around \$6 mil-only point of friction is whether it should be before or after lion. Back in 1953, his Bureau Gehlen had turned heaven and Fuehrer Bormann's demise.

earth upside down for clues to Bormann's whereabouts in the The investigation into this historical account begins at the East, reporting officially: "Bormann is not in East Germany or Nuremberg trials, when the Tribunal appointed H. Trevor the Soviet Union. The Bureau has been unable to discover what Roper, the Oxford don and author of *The Last Days of Hitler*, happened to him after he left the Reich Chancellery." Gehlen's to investigate the alleged death of Martin Bormann. Roper was credibility in knowledgeable West German political and espionage circles to comment that giving in to death was not part of the espionage circles was damaged by this circumlocution. Called to Reichsleiter's game plan: "There was at least one man in the Bonn to explain, he in essence retracted his statement.

bunker who thought only of living—Martin Bormann."

My own West German sources have told me: "The CIA was In *La Fin de Hitler*, Gerhard Bolat, a French historian, de-behind the General Gehlen

statement. It was a manipulation of 12

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public opinion by the CIA, immediately obvious to anyone who I concluded my article:

knows anything about this subject. Bormann and his links to Will Martin Bormann, an unquestioned genius of finance and admin-Germany today are a hidden but a very real political issue.” H.

istration, take the gamble, or continue to be the most hunted man in Trevor Roper commented about the Gehlen affair: “For this history?

story there is neither evidence nor probability. Had it been true, it was Gehlen’s duty to report it long ago; and his belated ‘rev-At the Nuremberg Trials, Dr. Friedrich Bergold, the wily elation’ has only damaged his own credibility.”

counsel for this defendant, thought to cut through all attempts In U.S. academe, Professor Male Fainsode, Harvard histori-to try the absent Reichsleiter with this statement: an and author of How Russia Is Ruled, commented on the Gehlen statement: “There is no information available among Your Lordship, your Honors, the case of the defendant Martin Russian scholars, so far as I know, to support or deny the pres-Bormann, whose defense the Tribunal has commissioned me to ence of Bormann in the Soviet Union.”

undertake, is an unusual one. When the sun of the National Socialist Grand Admiral Doenitz, at home in Kiel, was among those Reich was still at its zenith, the defendant lived in the shade. Also during this Trial he has been a shadowy figure, and in all probability, who doubted that Bormann had either considered being a Soviet he has gone down to the shades—that abode of departed spirits, agent or was making his way to Russia. Simon Wiesenthal, according to the belief of the ancients. He alone of the defendants is director of the Jewish Documentation Center in Vienna, like-not present, and Article 12 of the Charter applies only to him. It wise considers Gehlen’s statement “nonsense.” Wiesenthal has seems as though history wanted to preserve the

continuity of the stated that his “last credible information confirms Bormann’s *genius loci* and have chosen the town of Nuremberg to be the scene of presence near the village of Ibiruba, near the Paraguayan border a discussion as to whether the fact that a defendant is allegedly no in the Brazilian province of Rio Grande do Sul.” Adolf longer alive can obstruct his being tried *in absentia*. In Nuremberg, we have an adage which has come down to us from the Middle Ages, and Eichmann, captured by Israeli agents in Argentina in 1960, which says: “The Nurembergers would never hang a man they did not confirmed that Bormann is alive and dwelling in South America.

hold.” Thus, even in former times they had an excellent way in Nuremberg of dealing with the question as to how proceedings can be In the New York Times in March 1973, I wrote, in part: taken against a person in his absence.

Martin Bormann is the Reichsleiter in exile, a legally appointed head of state who does not consider himself a war criminal, according to In 1972 the eighty-five-year-old bishop of Munich, Johannes spokesmen for him. Much has been written about Bormann in recent Neuhausler, made public a document of the Roman Catholic times; all of it incorrect except for the single fact he is alive and in Church, which stated that Bormann had escaped to Spain. The South America. . . . When the true story of Martin Bormann is writ-document said, in part: “Albert Bormann had awaited the reten it will reveal him to be the man largely responsible for West turn of his brother Martin to Munich, and they fled from Germany’s postwar recovery. . . . If he is ever to come out into the Salzburg airport. The airport had not been destroyed and there open and live the life of a free man once again, he must refute the charges of Nuremberg, where he was tried in absentia in 1945-46 and were also at least ten flights from there of the Fuehrer’s mes-found not guilty on the charge of crimes against peace, but guilty of sengers with of ficial documents. All aircraft were suitable for war crimes and crimes against humanity. In its decision, the night and long distance flights.” The bishop made the foregoing International Military Tribunal left a loophole for Martin Bormann if statement to prove that “Bormann had enough ways and means he ever wishes to reopen the case. . . . “If Bormann is not dead,” the to flee Germany, and that the Vatican had not done anything Tribunal stated, “and is later apprehended, the Control Council for special to help him.”

Germany may, under Article 29 of the Charter, consider any facts in In 1973 the West German government of Willy Brandt, in mitigation, and alter or reduce his sentence, if deemed proper.”

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collusion with the CIA, acted to end for all time the speculation Wiesenthal was also present at the Frankfurt press display and that Bormann is still alive. It held a press conference in expressed doubt that the skull he saw was that of Bormann.

Frankfurt to declare that Martin Bormann had died in Berlin on

“There seemed to be a slight difference in the skull structure the night of May 1-2, 1945. It displayed a skull alleged to be from that of Bormann,” he mused.

that of Bormann. On December 8, 1972, a crew of ditchdiggers Mr. Wiesenthal had gone to the heart of the matter, perhaps had unearthed two skeletons near the ruins of Berlin’s Lehrter unknowingly. For the alleged Bormann skull is that of a grisly railway station. Investigators had tried to locate these remains stand-in, a substitute whose teeth and entire dental structure seven years earlier, but now quite by accident, it seemed, they had been carefully prepared over a period of time on an inmate were found just 20 yards from the previous effort. A faded mil-of Concentration Camp Sachsenhausen who looked almost like itary pass on the second body identified it as that of Dr. Ludwig the Reichsleiter—a resemblance that Wiesenthal perceived as Stumpfegger, Hitler’s physician, who had left the not quite 100 percent.

Fuehrerbunker with Bormann in 1945.

Substituting one body for another has been a ploy much used Bormann’s dental record, prepared from memory in 1945 by by General Heinrich Mueller of the Gestapo. It was he who Dr. Hugo Blaschke on order of a U.S. Army investigation team, coordinated the details of Bormann’s

disappearance. This was produced at the Frankfurt press conference, along with a skull. According to statements made to me by separate individuals. Dr. Blaschke had been personal dentist to Hitler, Eva working for three different intelligence services: the Berlin skull Braun, and Martin Bormann. Prudently, before the Russians took Berlin, he had moved to Munich. He had died in 1957.

April 30, 1945, by an SS Gestapo team commanded by General Chief testimony was by Fritz Echtenmann, a dental technician Mueller of the Waffen SS. Their account is retold in Chapter 6.

Furthermore, another authority on Bormann has since told me who had made fittings for these three; he testified that the den-

(in 1977): "Bormann planned this flight with extreme care, and the work in the skull was that of the missing Reichsleiter. So we part of the grand design was a scheme to lead future forensic have two items of proof: first, dental data prepared from men and dental specialists astray."

ory by Bormann's dentist who had been loyal for many years to The *London Daily Express* termed the Frankfurt press conference by the Brandt government a whitewash, and said it was a technicality, who had suffered imprisonment in Russia because of Bormann's passport to freedom in perpetuity, forever freeing his knowledge of dental work on Hitler and Bormann.

him from harassment or capture. The European press held that H. Trevor Roper, Regius Professor of Modern History at Oxford University, commented as recently as January 14, 1973, NSDAP* in exile in South America and the government of the FRG in the *New York Times*: "I have my own reasons for thinking Federal Republic of Germany. Their speculation was that by so that Bormann may well have escaped to Italy and thence to doing the government sought to free itself from the unending South American. On the present balance of evidence it is quite pos-nagging pressure of continuing to search for Bormann. As a sible that Bormann is still alive." But he seemed to alter his opinion result of the Frankfurt press conference, Bormann was, with somewhat in 1974 after viewing the dental evidence presented to him worldwide trumpeting, declared

dead. Dr. Horst Gauff, state by Dr. Reidar F. Sognaes, the American forensic dental specialist.

prosecutor for Hesse, removed the West German warrant for Dr. Roper stated to Dr. Sognaes that, on the basis of the Berlin skull Bormann's arrest and the reward of \$36,000 for Bormann's cap-discovery, said to be that of Bormann: "In consequence of that dis-ture. Abroad, West German embassies and consulates were covery, and the identification *which I presume to be bona fide* [italics directed to ignore any future reports:

mine], that the balance of probability has shifted; and that so far I have seen no evidence that can shift it back."

Yet Simon

*NSDAP: Nationalsozialistische Deutsche Arbeiterpartei National Socialist German Workers' Party—the Nazi Party).

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"If anyone is arrested on suspicion that he is Bormann we will would develop free of seizure by the Allies. This Bormann probe dealing with an innocent man."

gram of flight capital to safe havens, together with the endeavors Has tranquility come to this man of the shadows? It is un-of the German people, the grants of Marshall Plan money for likely, for there are too many glory days to remember, along with reconstruction of factories, and the investment money that even-the certainty that he dare not go home to Germany, despite the tually found its way back home, moved the new West German economic victory he achieved for the Fatherland.

Federal Republic forward to its present prosperity.

His wife, Gerda, whom he married in 1929, opened a nursery I was impelled to write this book to present to thinking peo-home for Jewish orphans in

Bavaria in 1945. U.S. Army intelligence officers who discovered this wanted to throw her in prison; conspiracy of silence, and to straighten out some of the lingering she was spared this because she was terminally ill, and died in distortions that have developed from the massive outpouring of March 1946 in the infirmary of an Italian monastery at Merano.

slanted communiqués and press releases from governments and General Patton vetoed jailing her: “Let her be. She will meet her private interests over the past three decades, until caring people make soon enough.” She appointed a Roman Catholic priest as everywhere are hard put to tell truth from fiction, with too much executor of her will and as guardian of her ten children. The old-fiction passing for history.

est, Adolf Martin, named for his godfather, Adolf Hitler, PAUL MANNING became a Jesuit priest, serving the order for years in the Congo.

New York

He asked for reassignment to South America, and the request went to the Vatican because of his father’s prominence in history; the request was denied, for Vatican officials felt that it was no coincidence. It was assumed that Martin Bormann in exile missed his children and had requested his eldest son to join him in South America. Approval would have cast a spotlight of disaffection on the Vatican. Denied, Adolf Bormann resigned from the priesthood, subsequently married a former nun, Cordula, and today they are working together as missionaries to the Indians of Brazil and Bolivia. Can it not be thought that he visits Bormann, Senior, in his last years?

The flame flickers low, but “Whatever became of Martin Bormann?” is unceasingly engrossing. My wartime CBS colleague, the late Edward R. Murrow, had talked at length with me about developing the Bormann saga as a solid and historically enlightening, valuable postwar story.

When Reichsleiter Martin Bormann, through an emissary, informed a gathering of Nazi industrialists in Strasbourg on August 10, 1944, “The war cannot be won by us; we must take steps in preparation for a postwar

commercial campaign,” he made just that possible by putting into action his new German state policy: the flight of capital—that is to say, money, patents, scientists, administrators—to neutral nations where this wealth 18

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IT WAS EARLY MORNING AND THE HAZE COVERING

the broad Alsatian plain was lifting to reveal glistening mountain-side acres of wine grapes and the string of fortresses that dominate the hillsides and vineyard villages on the road from Colmar—fortresses old when Joan of Arc was young. A Mercedes-Benz, flying Nazi swastika and SS flags from the front bumpers, was moving at high speed through columns of German infantry marching toward Colmar from where the command car had come. A mountainous region, some of World War II’s bitterest fighting was to take place there as winter approached, once American divisions had bypassed Paris and moved through Metz into the Colmar Gap.

The staff car had left Colmar at first light for Strasbourg, carrying SS Obergruppenfuehrer Scheid, who held the rank of lieutenant general in the Waffen SS, as well as the title of Dr.

Scheid, director of the industrial firm of Hermendorf & Schen-burg Company. While the beauty of the rolling countryside was not lost on Dr. Scheid, his thoughts were on the meeting of important German businessmen to take place on his arrival at the Hotel Maison Rouge in Strasbourg. Reichsleiter Martin Bormann himself had ordered the conference, and although he would not physically be present he had confided to Dr. Scheid, who was to preside, “The steps to be taken as a result of this meeting will determine the postwar future of Germany.” The 23

Reichsleiter had added, “German industry must realize that the Present were Dr. Kaspar representing Krupp, Dr. Tolle representing the future cannot now be won, and must take steps to prepare for a coming Röchling, Dr. Sinceren representing Messerschmitt, Drs.

postwar commercial campaign which will in time insure the Kopp, Vier, and Beerwanger representing Rheinmetall, Captain economic resurgence of Germany.” It was August 10, 1944.

Haberkorn and Dr. Ruhe representing Bussing, Drs. Ellenmayer The Mercedes-Benz bearing SS Obergruppenfuehrer Scheid and Kardos representing Volkswagenwerk, engineers Drose, moved slowly now through the narrow streets of Strasbourg. Dr.

Yanchew, and Koppshem representing various factories in Posen, Scheid noticed that this was a most agreeable city, one to return Poland (Drose, Yanchew, & Co., Brown-Boveri, Herkuleswerke, to after the war. It was the city where in 1792 the stirring *Mar-Buschwerke, and Stadtwerke*); Dr. Meyer, an of

ficial of the

sellaie was composed by Rouget de Lisle, ostensibly for the German Naval Ministry in Paris; and Dr. Strossner of the Min-mayor’s banquet. The street signs all in French, the names of istry of Armament, Paris.

the shops all in German, were characteristic of bilingual Alsace, Dr. Scheid, papers from his briefcase arranged neatly on the a land that has been disputed throughout known history, par-table before him, stated that all industrial matériel in France ticularly since the formation of the two nations, Germany and was to be evacuated to Germany immediately. “The battle of France. After World War I, the Treaty of Versailles restored France is lost to Germany,” he admitted, quoting Reichsleiter Alsace-Lorraine to France, but after the fall of France in World Bormann as his authority, “and now the defense of the Siegfried War II the Germans reannexed these 5,600 square miles o f Line (and Germany itself) is the main problem. . . . From now territory, and life went on as usual, except for the 18,000 Alsa-on, German industry must take steps in preparation for a post-tians who had volunteered to fight for the Third Reich on the war commercial campaign, with each industrial firm making Eastern Front.

new contacts and alliances with foreign firms. This must be done The staff car drew up before the Hotel Maison Rouge on the individually and without

attracting any suspicion. However, the rue des France-Bourgeois. Dr. Scheid, briefcase in hand, entered party and the Third Reich will stand behind every firm with the lobby and ascended in the elevator to the conference suite permissive and financial support.” He assured those present that reserved for his meeting. Methodically he circled the room, the frightening law of 1933 known as Treason Against the greeting each of the twelve present, then took his place at the Nation, which mandated the death penalty for violation of for-head of the conference table. Even the pads and pencils before eign exchange regulations or concealing of foreign currency, was each man had been checked; Waf fen SS technicians had swept now null and void, on direct order of Reichsleiter Bormann.

the entire room, inspecting for hidden microphones and mini-Dr. Scheid also af firmed, “The ground must now be laid on ature transmitters. As an additional precaution, all suites flank-the financial level for borrowing considerable sums from foreign ing the conference suite had been held unfilled, as had the floors countries after the war.” As an example of the kind of support above and below, out of bounds for the day. Lunch was to be that had been most useful to Germany in the past, Dr. Scheid served in the conference suite by trusted Waf fen SS stewards.

cited the fact that “patents for stainless steel belonged to the Those present, all thirteen of them, could be assured that the Chemical Foundation, Inc., New York, and the Krupp Com-thorough precautions would safeguard them all, even the secre-pany of Germany, jointly, and that of the United States Steel tary who was to take the minutes, later to be typed with a copy Corporation, Carnegie, Illinois, American Steel & Wire, Nasent by SS courier to Bormann.

tional Tube, etc., were thereby under an obligation to work A transcript of that meeting is in my possession. It is a cap-with the Krupp concern.” He also cited the Zeiss Company, the tured German document from the files of the U.S. Treasury Leica Company, and the Hamburg-Amerika Line as typical Department, and states who was present and what was said, as firms that had been especially ef fective in protecting German the economy of the Third Reich was projected onto a postwar interests abroad. He gave New York addresses to the twelve profit-seeking track.

men. Glancing at his watch, Dr. Scheid asked for comments 24

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from each of the twelve around the table. Then he adjourned the would be held only by a very few persons in each industry and morning session for lunch.

by chiefs of the Nazi Party. Each of fice would have a liaison At his signal, soldier stewards brought in a real Strasbourg agent representing the party and its leader, Reichsleiter Bor-lunch. On a long side table they placed plates of pâté de foie mann. "As soon as the party becomes strong enough to reestab-gras, matelote, noodles, sauerkraut, knuckles of ham, sausages, lish its control over Germany, the industrialists will be paid and onion tarts, along with bottles of Coq au Riesling from for their effort and cooperation by concessions and orders."

nearby wineries. Brandy and cigars were also set out and the At both morning and afternoon conferences, it was empha-stewards left the room, closing the doors quietly as guards stood sized that the existing prohibition against the export of capital at attention.

"is now completely withdrawn and replaced by a new Nazi pol-Following lunch, several, including Dr. Scheid, left for the icy, in which industrialists with government assistance (Bor-Rhine and Germany, where they would spread the word among mann to be the guiding leader) will export as much of their their peers in industry about the new industrial goals for the capital as possible, capital meaning money, bonds, patents, sci-postwar years.

entists, and administrators."

A smaller conference in the afternoon was presided over by Bosse urged the industrialists to proceed immediately to get Dr. Bosse of the German Armaments Ministry. It was attended their capital outside Germany. "The freedom thus given to only by representatives of Hecko, Krupp, and Röchling. Dr.

German industrialists further cements their relations with the Bosse restated

Bormann's belief that the war was all but lost, partly by giving them a measure of protection in future efforts at but that it would be continued by Germany until certain goals home and overseas."

to insure the economic resurgence of Germany after the war. From this day, German industrial firms of all rank were to have been achieved. He added that German industrialists must begin placing their funds—and, wherever possible, key men—be prepared to finance the continuation of the Nazi Party, power—abroad, especially in neutral countries. Dr. Bosse, which would be forced to go underground, just as had been advised that "two main banks can be used for the export of funds from Maquis in France.

for firms who have made no prior arrangements: the Basler

"From now on, the government in Berlin will allocate large Handelsbank and the Schweizerische Kreditanstalt of Zurich."

sums to industrialists so that each can establish a secure post. He also stated, "There are a number of agencies in Switzerland war foundation in foreign countries. Existing financial reserves which for a five percent commission will buy property in foreign countries must be placed at the disposal of the party in Switzerland for German firms, using Swiss cloaks."

in order that a strong German empire can be created after Dr. Bosse closed the meeting, observing that "after the defeat. It is almost immediately required," he continued, "that of Germany, the Nazi Party recognizes that certain of its best the large factories in Germany establish small technical offices known leaders will be condemned as war criminals. However, in or research bureaus which will be absolutely independent and cooperation with the industrialists, it is arranging to place its less have no connection with the factory. These bureaus will receive conspicuous but most important members with various German plans and drawings of new weapons, as well as documents which factories as technical experts or members of its research and they will need to continue their research. These special offices designing offices."

are to be established in large cities where security is better, The meeting adjourned late. As the participants left, Dr.

although some might be formed in small villages near sources Bosse placed a call to Martin Bormann in Berlin over SS lines.

of hydroelectric power, where these party members can pretend The conversation was cryptic, merely a report that all industri-to be studying the development of water resources for benefit alists at the one-day Strasbourg conference had agreed to the new of any Allied investigators.”

policy of “flight capital” as initiated by the Reichsleiter. With Dr. Bosse stressed that knowledge of these technical bureaus the report completed, Bormann then placed a call, to Dr.

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Georg von Schnitzler, member of the central committee of the manders of the party, who reported to him as party chief, shared I.G. Farben board of directors.

the same view as expressed by Dr. von Schnitzler.

I.G. Farben had been the largest single earner of foreign ex-However, Bormann waited nearly four weeks until the right change for Germany during the years of the Third Reich. Its moment came to go against Hitler’s directive. It came when operations in Germany included control of 380 companies with Albert Speer, minister for armaments and war production, sent factories, power installations, and mines, as well as vast chemical a teletype on September 5, 1944, to headquarters for Hitler’s establishments. It operated in 93 countries and the sun never set attention. In this message, Speer outlined the realistic reasons on I.G. Farben, which had a participation, both acknowledged why industrial plants should not be destroyed; Bormann lost no and concealed, in over 500 firms outside Germany. They grew time sending this on to all the Gauleiters of Germany with his as the Third Reich did, and as German armies occupied each own imperative: “On behalf of the Fuehrer I herewith transmit country in Europe they were followed by Farben technicians to you a communication from Reichsminister Speer. Its provis os who built further factories and expanded the I.G. investment are to be

observed strictly and unconditionally.”

to RM (Reichsmarks) 7 billion. The Farben cartel agreements Speer had commented, “Even Bormann had played along involving trade and the related use of its chemical patents also with me. He seemed to be more aware than Hitler of the fearful numbers over 2,000, including such major industrial concerns consequences of total devastation.” Speer also noted, in this as Standard Oil of New Jersey (now Exxon), the Aluminum month of September 1944, that “Hitler’s authority in the party Company of America, E.I. du Pont de Nemours, Ethyl Export was no longer what it had been.”

Corporation, Imperial Chemical Industries (Great Britain), Such authority had long since passed quietly to Reichsleiter Dow Chemical Company, Rohm & Haas, Etablissements Kuhl-Bormann, who had succeeded in outmaneuvering all the old man (France), and the Mitsui interests of Japan.

gang: Goering, Goebbels, Himmler, the various generals, and I.G. Farben was a formidable ally for Reichsleiter Bormann Speer, who was told in 1944 by Hitler always to deal directly in his plans for the postwar economic rebirth of Germany. In a with Bormann on all matters. As Speer put it, “I had lost for telephone conversation with Dr. von Schnitzler, Bormann asked good.” He was embittered and envious, and his feelings were what would the loss of factories in France and the other occur to color every utterance he made about the Reichsleiter.

occupied countries mean to German industry in general and to I.G.

Martin Bormann was now the leader in fact of Germany.

in particular. Dr. von Schnitzler said he believed the technical Hitler, exhausted, drained of the charisma of the glory days of dependence of these countries on I.G. would be so great that the thirties and the conquest years of the early forties, was going despite German defeat I.G., in one way or another, could regain through the gestures of military leadership mechanically as his its position of control of the European chemical business.

troops fell back on all fronts. Martin Bormann, forty-one at the

“They will need the constant technical help of I.G.’s scientific staff of Berlin, and as strong as a bull, was at all times at Hitler’s technical laboratories as they do not own appropriate installations side, impassive and cool. His be-all and end-all was to guide within themselves,” he further told Bormann, adding that he Hitler, and now to make the decisions that would lead to the and other industrialists such as Hermann Röchling “do not eventual rebirth of his country. Hitler, his intuitions at peak think much of Hitler’s recent declaration of a scorched-earth level despite his crumbling physical and mental health in the last policy for Germany. Destruction of our factories will surely year of the Third Reich, realized this and approved of it. “Bury inhibit Germany’s recovery in the postwar world,” he affirmed.

your treasure,” he advised Bormann, “for you will need it to Bormann pondered this exchange with von Schnitzler. It was begin a Fourth Reich.” That is precisely what Bormann was then that he determined to countermand Hitler’s order for the about when he set in motion the “flight capital” scheme August ruthless destruction of German industry. He was aware also that 10, 1944, in Strasbourg. The treasure, the golden ring, he envy-the Gauleiters, the regional political supervisors and area commissioned for the new Germany was the sophisticated distribution 28

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of national and corporate assets to safe havens throughout the Reich. As an example of the cooperating industrialist, there was neutral nations of the rest of the world.

Marcel Boussac, the richest man in France at the time. This Martin Bormann knew in his heart that the war in Europe aging cotton textile magnate, now deceased, prospered under was over when Normandy was lost. The day Hitler’s troops were German occupation, like his peers. He had done well in World defeated at the Falaise Gap was the day he ordered swing industry-War I, and he did well during World War II. In the former he industrialists of Germany to Strasbourg to hear his plans for made his first millions, by supplying uniforms and airplane factory-Germany’s future.

ric to the French army. Between wars he expanded, acquiring Society’s natural survivors, French version, who had served the textile factories by the

dozens. When the Germans swept across Third Reich as an extension of German industry, would con-France in 1940 he promptly turned to them as new customers, tinue to do so in the period of postwar trials, just as they had and began making the cloth for German army uniforms, para-survived the war, occupation, and liberation. These were many chute materials, and linen for fire-hose lining (a big-ticket item of the French elite, the well-born, the propertied, the titled, the as British and American bombers set fire to German cities).

experts, industrialists, businessmen, bureaucrats, bankers. On Other textile manufacturers, particularly those at Calais and the other hand, the intellectuals, the writers, the propagandists Caudry, made the camouflage for such German defense installa-for the Germans, and the deputies of the Third Republic were tions at the West Wall, and mosquito netting for Rommel's among those purged with a heavy hand. The number of French-Afrika Korps.

men who were part of the resistance during World War II was Boussac and his kind produced a trickle of fabrics for French never large, about 2 percent of the adult population. With the clothing, but, on German orders, there was almost no limit to liberation of France, old scores were settled: 124,750 persons the quantity and quality of goods they turned out for the were tried, 767 being executed for treason or contact with the French fashion industry. German policy was to nurture the enemy in time of war. Sentenced to prison terms were 38,000, *haute couture* houses of Paris. It brought in foreign exchange, who also endured "loss of national dignity"—disenfranchisement and it was good propaganda to have the world note luxury and ineligibility to hold public of fice. Even before any arrests continuing to flourish as ever in the French capital.

and trials could take place, another 4,500 were shot out of In 1943, when the needs of the civilian population were to hand.

be met with an annual allowance of one kilo of cloth per per-Still, economic collaboration in France with the Germans son, the *haute couture* received 80 metric tons, enough to fill had been so widespread (on all levels of society) that there had the regular clothing rations from 80,000 French civilians. Lucien to be a realization that an entire nation could not be brought to LeLong, under German guidance, was the director in charge trial. Only a few

years before, there had been many a sincere of policy for the French fashion industry. His collection and and well-meaning Frenchman—as in Belgium, England, and those of 60 other *maisons de couture* participating in the sea-throughout Europe—who believed National Socialism to be the sonal fashion shows in Paris for buyers from Germany, the wave of the future, indeed, the only hope for curing the many other occupied countries of Europe, and the neutral nations, desperate social, political, and economic ills of the time. France, maintained prewar Parisian fashion standards. French fashions along with other occupied countries, did contribute volunteers continued to be sold in markets of the Western Hemisphere for the fight against Russia. Then there were many other throughout the war. One device often used as part of such a Frenchmen, the majority, who resignedly felt there was no way marketing scheme was to have fashionable women “expelled”

the Germans could be pushed back across the Rhine.

from France for anti-German and pro-Allied sentiments. The Meanwhile, individuals had to survive. After 1940 France was women would then make their way to Lisbon and sail for N ew neatly tucked into the German economic scheme; occupied York or Buenos Aires on a neutral steamer with their trunks countries would be supply areas for the benefit of the Third containing the latest creations of LeLong and his group of 30

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collaborating *maisons de couture*. Orders were taken, paid for,

“Aryanized” Jewish concerns, which meant outright appropriat-filled.

tion. I.G. Farben assumed control of the potassium mines of This was collaboration, but few in this industry were to go Alsace. The insurance business, which had been largely under-on trial, any more than were the industrialists who owned the written by French and British companies, was transferred to textile companies, chemical plants, and heavy industry. How-German companies. The big German banks, such as Deutsche ever, the rayon industry was more than a collaboration between Bank, Commerzbank, and Dresdnerbank, purchased majority French and German interests. The Gillet-Carnot organization shares of the Alsace-Lorraine banks, the institutions that

under of the French rayon interests had close prewar relationships in occupation controlled the very life and economy of the people.

price controls and markets to the German Kunstseide and With the disastrous conflict-to-come looming after August 10, Zellwolle Ring, and this laid the foundation for fuller collabo-1944, the realists—that is to say, Bormann, the Ruhr industri-ration after the collapse of France. By December 1940, most of alists, and the German bankers—knew it was time for new and the rayon-producing facilities in France were united under a new secretive directions, were Germany to survive and emerge from holding company, France-Rayonne, to which the German defeat to once more become a world leader.

Ring group contributed 33 percent of the capital in the form of patent rights and technical advice.

The capital of those French companies that became subsidiaries of France-Rayonne totaled over 800 million francs. Three quarters of this sum was represented by National Viscose and Givet-Izieux, in which the Gillet and related families, such as Balay, Bizot, and Motte, were the largest shareholders.

The large French chemical interests of Kuhlmann also had their agreements with I.G. Farbenindustrie long before the war.

Then, when France fell, this relationship ripened, expanding into full German majority control and stock ownership. The I.G. board of directors formed a new French holding company, capitalized at 800 million francs, and named it Francolor; it held the stock of Kuhlmann and other French dye and chemical interests. Fifty-one percent of Francolor's stock was acquired by I.G. Farbenindustrie, without whose basic patents no chemical company in Europe could operate.

The Germans were also diligent in acquiring stock control in other prime industries, and when their troops were forced from France in 1944, their economic imprint would remain.

When Reichsleiter Bormann accepted the fact that the war was lost, he gave himself nine months to place into operation his flight capital program of safe

haven for the liquid assets of Germany. Little Alsace-Lorraine was a microcosm of Nazi takeovers in the rest of occupied Europe as regards commerce, industry, and banking. They had fitted the iron and steel industry of Lorraine into their vast International Steel Cartel and had 32

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A COMPLICATED INDIVIDUAL, MARTIN BORMANN

planned shrewdly for the future, keeping six secretaries busy.

During the final six months of World War II he sorted his records, shipping them with other historical documents to South America: by truck to Munich, by air to Spain in special Luftwaffe courier planes, then on freighters chartered for the transport of German SS men from their gathering place at the terminal of two principal escape routes, the Spanish port of Vigo. This small city, in the northeastern province of Galicia, was dictator Generalissimo Franco's home region.

One of Bormann's office ladies in Berlin described him as a

"fiend for organization and paperwork," which was indeed his forte while he was rising through the ranks to become Hitler's right-hand man. A master of intrigue, and therefore generally disdained by many in the inner circle around the Fuehrer, Bormann always had the unquestioning confidence of the Nazi leader; this was his wellspring of unlimited power.

In dismissing criticisms of Bormann, Hitler once explained:

"I know that he is brutal. But there is a sense in everything he does, and I can absolutely rely on my orders being carried out by Bormann immediately and in spite of all obstacles. Bormann's proposals are so precisely worked out that I have only to say yes or no. With him I deal in ten minutes with a pile of documents for which with another man I should need hours.

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If I say to him, remind me about such-and-such a matter in half stalwarts of every revolutionary movement, the old guard of faith-a year's time, I can be sure he will really do so."

ful fighters, the populists, who assume their early success will Albert Speer, an architect who began his professional life endure unchangingly. Great individuals build up great corpora-designing buildings for the Nazis, rose to become the highly tions; but it is the second generation of professional managers to competent minister of armaments and war production. In his whom shareholders look to carry on the tradition of expansion book, *Inside the Third Reich*, he described how Bormann solidi-and profits. Martin Bormann was a second-generation profes-fied his position as number one man to Hitler:

sional who consolidated for Hitler the power he had accumulated. He was at ease in the bureaucratic apparatus and mastered the He alone, with Hitler's compliance, drew up the appointments calen-mechanisms of government with the greatest skill. Behind his dar, which meant that he decided which civilian members of the government or Party could see, or more important, could not see, the back he was referred to as "Hitler's evil spirit." One of the inner Fuehrer. Hardly any of the ministers, Reichsleiters, or Gauleiters circle was said to burst out, "I am claiming for myself the privi-could penetrate to Hitler. All had to ask Bormann or present their lege of personally killing the Fuehrer's Mephistopheles."

programs to him. Bormann was very efficient. Usually the official in There he was, Martin Bormann, at Hitler's side from daybreak question received an answer in writing within a few days, whereas in until midnight, his stocky figure in Nazi uniform, his briefcase the past he would have had to wait for months. I was one of the always at hand, listening, weighing situations, diligent, calculat-exceptions to this rule. Since my sphere was military in nature, I had ing, ever supportive of the Fuehrer, ever indispensable. Walter access to Hitler whenever I wished. Hitler's military adjutants were Schellenberg, chief of the SS Foreign Intelligence Service, the ones who set up my appointments.

described Bormann as "a thickset man, with square shoulders and After my conference with Hitler, it sometimes happened that the a bull neck. His eyes

were like those of a boxer advancing on his adjutant would announce Bormann, who would then come into the opponent. His appearance was conventional and unassuming.

room carrying his files. In a few sentences, he would report on the memoranda sent to him. He spoke monotonously and with seeming Those who were rivals and even enemies always underestimated objectivity and would then advance his own solution. Usually Hitler his abilities.”

merely nodded and spoke his terse, “Agreed.” On the basis of this one While the more conspicuous leaders of the Third Reich were word, or even a comment by Hitler, which was hardly meant as a direc-strutting before the people of Germany and parading for the news tive, Bormann would often draft lengthy instructions. In this way ten or media of the world, Bormann was unobtrusively gaining control more important decisions were sometimes made within half an hour.

of those points of power that count. He earned and kept to the De facto, Bormann was conducting the internal affairs of the Reich.

last the total trust of Hitler.

Martin Bormann was born on June 17, 1900, in Halberstadt.

H. Trevor Roper has observed: “Bormann was a man of enor-He had a younger brother, Albert, born on September, 2; 1902.

mous power, for he controlled the whole party machine through Their father had served in the German army in World War I as which Germany was governed. . . . The more adventurous figures a senior sergeant, and afterward became a civil servant in the around Hitler despised Bormann as a plodding bureaucrat, an German postal system. Both sons were baptized and raised as uncultured lout. The more colorful, more intellectual figures evangelical Lutherans. Martin attended the Science High School around Lenin despised Stalin on precisely the same grounds. But of Halberstadt, where his capabilities in mathematics were we know who won.”

noted. Upon reaching the age of eighteen, he was called into the Bormann

was a classic embodiment of the dictator in the army during the tag end days of World War I and found him-antechamber, a type now usual in governments around the self a cannoneer in the 55th Field Artillery Regiment.

world and in the multinational corporations, which usually tell Discharged the following year, he attended agricultural college.

governments what to do. Those who scorned him were typical Then appeared evidence of his interest in German nationalism; 38

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he joined a Freikorps, a paramilitary group of right-wing acti-the vacillating government of the Weimar Republic, virtually vists. These had been formed in a loosely knit manner through-powerless to stanch inflation and to stabilize the mark. Albert out Germany to counter communists and foreign interests.

Speer, in his book *Inside the Third Reich*, describes how he The Freikorps that Bormann joined was directed by a Lieu-was drawn to Hitler's National Socialist German Workers tenant Gerhard Rossbach. One of the lasting friendships Bor-Party:

mann made through this association was with Hermann von It must have been during these months that my mother saw an SA Treuenfels, scion of an important landowning family of Meck-parade in the streets of Heidelberg. The sight of discipline in a time of lenburg. In 1920 Bormann became goods inspector on the von chaos, the impression of energy in an atmosphere of universal hope-Treuenfels estate near Parchin. It was a time of raging inflation.

lessness, seems to have won her over also. She joined the Party. Both Before 1912 a billion marks would have been a Krupp-type of us seem to have felt this decision to be a breach with a liberal fam-fortune, but in 1921-22 it had the purchasing power of one ily tradition. In any case, we concealed it from one another and from cigarette or a small candy bar. The Freikorps dedicated itself to my father.

halting this destructive condition and the inroads of com-The crucial fact appeared to me to be that I personally had to munists in government. By day Bormann worked on the estate; choose between a future communist Germany or a future National by night he carried out sabotage operations against the French Socialist Germany since the political center between these two occupation troops. The following year, 1923, during a skirmish antipodes had melted away.

in Mecklenburg, Bormann, as leader of the district unit of the Moreover, in 1931, I had some reason to feel that Hitler was mov-Rossbach organization, was arrested for complicity in the mur-ing in a moderate direction. The party at that time was confining der of a communist said to have infiltrated the Freikorps. He itself to denouncing what it called the excessive influence of the Jews upon various spheres of cultural and economic life. It was demanding was tried for what was termed a “political assassination of a that Jewish participation in these various areas be reduced to a level traitor,” found guilty, and sent to Leipzig prison for one year.

consonant with their percentage of the population.

Released in 1925, he returned to Mecklenburg, and on July 4, 1926, joined the National Socialist German Workers Party, earlier formed by Adolf Hitler. Bormann’s party number, an Funding was the overriding problem of the new political early one, was 60,508.

party. Bormann, working in the high echelons of the NSDAP, Martin Bormann’s organizational abilities and financial acu-knew it would never become a dominant part of German men were soon recognized. In 1928 he was made district leader, political life until it had the support of German industry. Other business manager, and spokesman for the NSDAP’s district of parties were being funded with millions of marks annual y, par-Thuringia in Jena. Then, from 1928 until 1950 he was assigned ticularly “Deutsche Volkpartei,” “Deutschnationalen,” and to the headquarters staff of the Supreme Command of the SA,

“Dermokraten.” The Social Democrats were largely supported the “*oberste* SA,” which controlled the activities of the Storm by the banks and breweries. So it was that Bormann considered Troopers, or Brown Shirts. On September

2, 1929, he married it a major breakthrough when, in 1931, Dr. Emil Kirdorf, a Gerda Buch, the daughter of Major Walter Buch, chairman of leading Ruhr coal producer, and Fritz Thyssen, a steel magnate, the party's court for the determination of NSDAP legal matters introduced Hitler into the influential

Rheinisch-Westfalian

and internal discipline.

industrial circles. The NSDAP benefited with nearly a million These were heady days for Bormann. The communists, who marks, enough to whet the appetite but not quite enough for threatened to seize control of Germany and indeed nearly did political success.

so, were being battled in the streets of German cities by the SA, Turning points were at hand for Hitler and his group. In and Bormann was part of the action. Most thoughtful, solid January Count Hans Rodo von Alvensleben, a Junker nobleman Germans had become frightened and were disenchanted with and landowner in Prussia, an important Ruhr industrialist a nd 40

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board member of Deutsche Bank, attended a meeting at Hitler's from France and Great Britain, a matter of increasing concern house in company with such as Baron Kurt von Schroeder, in Paris and London.

partner of the Cologne banking firm of J.H. Stein Bankhaus.

But as a political leader as well as head of government, Hitler At this gathering, Count von Alvensleben spoke glowingly of was aware that his domestic machinery, the basis of his power, Hitler to the other industrialists present, as he did to Paul von must run smoothly everywhere and at all times. On April 25, Hindenburg, the Reich president, and Franz von Papen, who 1930, he had appointed Martin Bormann director of the NSDAP

were both there. The presence of these two revered figures was a fund. Then, in July 1933, Hitler moved Bormann into a signifi-tremendous coup for Hitler. When the evening ended, there were cant power control position—

chief of staff to his deputy Rudolf commitments all around to aid Hitler in his ambitions.

Hess, a dedicated Nazi, but one who lacked the drive and orga-In the following month, February, twenty industrialists met nizational abilities necessary for continued control of an always in the home of the president of the Reichstag, Hermann Goer-expanding political apparatus. Bormann soon had things run-ing. Among those present were such luminaries as Dr. Georg ning smoothly—his way. Citing unity and efficiency, he reduced von Schnitzler of I.G. Farben, representing the board of direc-the influence of the old guard by rearranging areas of jurisdic-tors, and I.G.'s president, Hermann Schmitz. Hitler spoke about tion. He turned the N SDAP treasurer, Franz Schwarz, into a a new alliance he had made for his party to join forces with the mere bookkeeper, and assumed the powers of the office for him-Deutsche-Nationale Volkspartei, led by Franz von Papen, who self. Bormann had a natural money mind. He was precise i n was later to become vice chancellor of the Third Reich. Hitler fiscal matters, exact in administrative procedures, cold, delibe r-stressed how important it was for the joined parties to gain a ate, Machiavellian, and would have made a fine banker had he majority in the forthcoming Reichstag elections. Finishing not gotten into politics. In a manner of speaking, as the years speaking, he withdrew, and grandfather Krupp von Bohlen and went by, he came to be a banker, eventually controlling all the others voted to contribute 3 million Reichsmarks to the two banks of Germany, and through them the banks of all occupied party alliance.

Europe.

With this encouragement, funds now poured in from indus-In this era of the early thirties and the new prosperity of try in general. The elections in March were a breeze. Hitler went German industry and commerce, it followed naturally as day over the top, with the backing of industrialists, bankers, the into night that Martin Bormann would devise a conduit to middle class, the small tradesmen and craftsmen, and the World sluice funds on a regular basis to the NSDAP and Hitler. The War I veterans, especially the former officers. All were con-Adolf Hitler Endowment Fund of German Industry was set up.

vinced that Hitler must be voted into power if communism All German

industry was to subscribe to this; 60 million marks and civil war were to be avoided.

were collected annually to strengthen the party. Businesses didn't As chancellor, Hitler moved Germany forward. From a nation mind, for they were getting major government contracts as well with the most jobless it became the nation with the fewest.

as increasing commercial trade from abroad. Such a fund also This was achieved by permitting industry to have its head in free did away with some of the incessant requests for money by enterprise and open competition. He harnessed the people, not offshoots of the party organization. Himmler, for example, had industry. He told the workers of Germany that full employ-been tapping leading bankers and business leaders for contribu-ment and prosperity depended on greater production and work tions to his SS welfare fund, from which he did not personally at all levels. German mass production became the envy of benefit, oddly enough. The companies contributing comprised a Europe, not only in its volume but also in its quality. Trade list of important banks and industries: Deutsche Bank, Dresd-generated with Western Europe and the Balkan countries dou-ner Bank, Commerzbank, the Reichstag Bank, the J.H. Stein bled and tripled. Through this and a refreshed diplomacy, much Bankhaus, Norddeutscher Lloyd and Hamburg-Amerika shipping of Europe was being drawn into the German orbit and away companies, the Dr. August Oetker Food Production Company, 42

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and such giant firms as I.G. Farben, Mitteldeutsche Stahlwerke, rich Himmler, Reichsfuehrer of the SS and chief of the German Siemens-Schuckert-Werke A.G., Portland Cement Rheinmetal -

police, had to petition Bormann for a personal loan from the Borsig, and the Reichswerke Hermann Goering. The money party chancellery fund; he had a wife and was keeping a mis-designated to Himmler's fund was deposited into General Actress, and was financially in over his head. Bormann granted him count S in the J.H. Stein Bankhaus of Cologne. Baron Kurt the loan from the fund, and later used the information against Freiherr von Schroeder was a board member and a partner in him with Hitler, who was prudish in such

matters. Hitler, of this bank, and Karl Wolff, Himmler's senior aide, was author-course, kept his own mistress, but insisted that married Nazi ized to draw checks for SS welfare purposes on this account.

leaders should maintain high moral standards.

But the Himmler fund had shrunk below 1 million marks a Members of the Nazi inner circle referred to Martin Bormann year when Reichsleiter Bormann established his Adolf Hitler with derision, calling him behind his back "the bookkeeper," or Endowment Fund of German Industry. Up he came with another

"the banker." But he knew what he was doing, and always inspiration: the Fuehrer's Winterhilfe, a fund to which all Ger-landed on his feet. When he married, it was a wedding wit-mans, within the Third Reich and abroad, could contribute for nessed by the top-flight leaders of National Socialism. The wed-the welfare of all troops and civilians impoverished by war. As ding portrait shows the new Herr and Frau Bormann seated, and a further source, industrialists and their wives were invited to the standing behind them six who attended, including Adolf Hitler Reichschancellery in Berlin, where in the ballroom a concert was and Rudolf Hess. Mrs. Bormann's father, Walter Buch, w ho performed by noted German musicians. Walther Funk, minister was the high judge of National Socialism's legal tribunal, is also of economics, commented: "It was there where the 'kick-in-in the picture. As time went by he, too, developed a hearty dis-some-dough' arias were sung. Every guest was compelled to sub-like for Bormann; when he died in 1947, almost in his last scribe to a contribution. Individual contributions ran as high breath, he declared to his family, "That damn Martin made it as 100,000 marks. This 'winterfund' alone accumulated almost safely out of Germany."

3 billion marks, which drew handsome interest in the Reichs-Another photograph demonstrating Bormann's ascendancy is bank."

the group picture taken at Hitler's birthday party, on April 20, Bormann also collected royalty payments, on behalf of the 1938, at Berchtesgaden. Next to the Fuehrer and Eva Braun are Fuehrer, for all postage stamps sold that bore Hitler's picture.

Reichsleiter Bormann and Mrs. Bormann; he in white tie and With such monies under his control, Bormann now held tails reminds one of a young Rod Steiger. Albert Speer appears power-of-the-purse over all the other Nazi leaders, including in the second row, obviously positioned there by Bormann, even the Gauleiters who ran the party machinery across Ger-whom he referred to later that evening as “the man with the many. All looked to Bormann for their annual funding. He set hedge clippers,” because Bormann devoted himself to prevent-the housekeeping budgets for Hitler himself and his girlfriend ing anyone else from rising above a certain level. Speer- was to Eva Braun, as well as for Goering, Goebbels, and Himmler. Eva complain later, “Things became so difficult for me that I often Braun received her monthly checks in Munich, where she wanted to give up and resign my post.” Noticeably not in this worked as a secretary for Heinrich Hoffmann, Hitler’s official picture was Rudolf Hess, deputy to the Fuehrer and deputy of photographer; Bormann also collected fees for the worldwide the party, an indication of his declining influence. Even in 1938

sales of Hoffmann’s pictures of the Fuehrer.

Bormann was the man to watch.

It riled the top Nazis to have to ask Martin Bormann for By this time, Martin Bormann had taken into his own hands money. It was like going to a banker, with reasons laid out for all of Hitler’s financial affairs, and the Fuehrer had no further intended use of the funds, papers to be signed if the sum ex-personal concerns in this area. Bormann had also brought up ceded the individual's budget allowance, etc., etc. Even Hein-tracts of land at Obersalzberg, built roads, barracks, concrete air 44

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raid shelters, and an official Bavarian residence for Hitler at Bormann’s closeness to the military leadership is shown in Berchtesgaden. On nearby hilltops he constructed modest another photograph, taken on January 27, 1938. It was just after chateaux for Goering, Goebbels, and himself. By building resi-Hider had shaken up the War Ministry and General Staff, and dences for these two he had kept them from being overnight had assumed personal control of the High Command of the guests of the Fuehrer. He also

constructed the Eagle's Nest, a armed forces, the O.K.W. Standing between Hitler and Bor-conference area atop a granite mountain, accessible only by mann is Field Marshal Wilhelm Keitel, chief of staff of the elevator, and with a breathtaking view of Bavaria. Reichs-mar-armed forces. Behind, in three neat rows, are those who survived shal Goering, of course, had his own tremendous holding, the political struggles. Hitler had said he was frustrated by the negative attitude of his generals; he retired sixteen of them and Karin hall, in eastern Germany, and Goebbels, minister of pro-posted forty-four others to field positions. Traditionally, strong paganda, maintained a home and his large family in the Berlin national leaders have objected to the undue caution of generals.

suburb near the Wansee. Bormann went on, and purchased the President Lincoln fired his share before he got Ulysses S. Grant; house in Branau, Austria, where Hitler was born, and the house it was the procedure followed by Winston Churchill when he of Hitler's parents in Leonding, for the Fuehrer. Deeds for all took power the night of May 10, 1940. After assuming the this property in Obersalzberg were entered in the land register duties of both chief of state and minister of defense, he shook in Martin Bormann's name.

up his military command in no uncertain manner.

Bormann's growing scope of influence was out of the reach of May 10, 1941, was a date to remember in Martin Bormann's other leading Nazis. He avoided publicity carefully, like many a life. That night Rudolf Hess, deputy Fuehrer, had removed financial mover and shaker of our day. In Bormann's world there himself from all competition for Hitler's favor by flying to Scot-were two kinds of people: those he could win over and s ubordi-land and parachuting to the Duke of Hamilton's estate, as an nate to his purposes and those he had to fear. Basically h e dis-unofficial emissary to Hamilton, to arrange peace with Britain trusted everyone, and collected information constantly f or his so that his Fuehrer would have freedom of action to invade personal index-card files. Even Reinhard Heydrich, a chief plot-Russia. It was a mission undertaken presumably without Hitler's ter of the SS, was awed by Reichsleiter Bormann's ingenuity.

knowledge, and it was an embarrassment to the German leader.

“There is a real master of intrigue and deceit,” he remarked at a Commenting on the astonishing development at the time, Prime dinner party in Berlin.

Minister Churchill had said, “It was as if my trusted colleague, Joseph C. Fest, the German author, has described Bor-Anthony Eden, the foreign secretary, who was only a little man as

younger than Hess, had parachuted from a stolen Spitfire into the grounds of Berchtesgaden.”

Germany’s secret ruler. . . . Apart from his indirect influence on Hitler was puzzled and enraged over Hess’s deed; Martin Hitler’s person, he came increasingly to dominate the whole Party apparatus. He deprived Rosenberg of part of his ideological authority Bormann was not—at least he sensed the motivation behind it.

and Ley of his jurisdiction over political personnel, and Reich Hess had found himself in political eclipse, superseded by Bor-Minister Lammers, head of the Reich Chancellery, found himself man, now merely a party functionary to be used for speeches relieved of important responsibilities. Bormann dismissed and ap-and other public appearances. Even when it came to jobs, the pointed Party officials (Gauleiters were subordinate to him per-party rank and file went no more to Hess, but to Bormann, who sonally), made massive use of his rights to a voice in appointments was “the” man to see for patronage. Luncheon or tea with and promotions in all state and even military departments, gave or Hitler was no longer an intimate occasion for Hess; the guest withdrew his favor, praised, bullied, eliminated, but stayed in the lists had been expanded to include generals and many more.

background, and at all times kept up his sleeve one more suspicion, Bormann controlled this, too, but the incident that put Rudolf one more piece of flattery, than his opponent. His nebulous position Hess in the social deep freeze occurred the day he arrived at has been fairly compared to Stalin’s power during Lenin’s last days.

Berchtesgaden accompanied by his own cook. He didn't care clacked on," to learn the extent of damage being done by Ger-for the food Hitler served and brought his own chef to prepare man bombers on this night. It was bad. He reentered the room his lunch. It was not until the meal was half over that Hitler where his hosts were sitting, and had Brendan Bracken ask that realized Hess was eating food different from the others. He the duke travel to London the following day to tell him all shouted at Hess that if he did not like the food served at about it. Hess was placed in the local jail the first of many Berchtesgaden he could eat elsewhere. Hess left and Hitler stops which were to take him to the Tower of London, and cooled off, but their relationship was never the same again.

ultimately to life-long imprisonment in Berlin's Spandau prison.

Hess, however, continued to idolize the Fuehrer. He reasoned Churchill later termed Hess's mission a "completely devoted that if he could arrange peace between Britain and Germany, and frantic deed of lunatic benevolence. He came to us of his where so many others had failed, it would provide him with a own free will, and, though without authority, had something of special niche in German history and in Hitler's affection.

the quality of an envoy. He was a medical and not a criminal Hess's flight to Scotland was a remarkable feat. He had case, and should be so regarded."

practiced his night flying skills over Munich and Augsburg. On On the night Rudolf Hess landed in Scotland, London was May 10 he climbed into his personal Messerschmitt-110 fighte r, suffering the most deadly firebombing of the war. I was at the took off, and soared toward the British Isles. He had memorized time an American war correspondent, based in London follow-the correct identification signals which would see him through ing the British Expeditionary Force's retreat from Dunkirk.

the German fighter command defensive network. But once over Each night, from September 7 to November 3, German aircraft the North Sea he was on his own. He headed for west Scotland dropped bombs; in the twelve-month period from June 1940 to and bailed out, descending almost on target. Wearing a Luft-June 1941, civilian casualties in the city were 43,381 killed and waffe uniform, he told his farmer captors that his name was 50,856

grievously injured. Sleepless nights were followed by Lieutenant Horn. He asked to be taken to the Duke of Hamilton-dreadful mornings, with familiar streets transformed into jagged ton, commanding a fighter sector in the east of Scotland, who ruins. Everywhere was the smell of pulverized brick and mortar, drove rapidly home. The duke interviewed Hess alone at first, as rescue squads dug for any who might yet be alive in the then had his secretary telephone Winston Churchill, who was rubble. For me, daily broadcasts had to be made and regular spending the weekend outside London at Ditchley. Churchill copy had to be filed.

knew the duke, but could think of no reason why he should On this night, the Luftwaffe waited until nearly midnight to receive a call from him. He was watching a Marx Brothers film, firebomb, the hour of low tide in the Thames, when fire hoses the hour was late, and his confidant, Brendan Bracken, took the would suck nothing but mud. The first dreaded planes roared call. Bracken rushed back into the room with the news that over the city about ten in the evening, carrying the high ex-Rudolf Hess was in Scotland, hoping for a peace meeting with plosives that would rip up even more streets and destroy water King George VI, to be arranged through the duke.

mains; then came the aircraft to firebomb and set afire what If Hess's arrival was a surprise, his desire for an audience with they could. That night 3,000 Londoners died in their air raid the King of England was pure Marx Brothers. He had met the shelters. The City of London was afire. The House of Com-Duke of Hamilton in Germany during the peacetime years, and mons was hit, and the docks along the Thames and three rail-knew him to be Lord Steward, a personage, he reasoned, who way stations blazed until dawn.

would probably be dining every night with the King and have The evening started languidly. I was at Number 10 Downing his private ear. Here was his channel of direct access to the top, Street, a guest of the Churchill family. Mrs. Churchill, the and he looked to the duke to provide it. But, of course, the duke three girls, Diana, Sarah, and Mary, and I feasted on a special telephoned Churchill at Ditchley outside of London. The prime treat, caviar sent to the prime minister from Josef Stalin. The minister wandered outside the room where "the merry film pleasantly furnished drawing room looked out on a garden, 48

where recently there had dropped a German one-ton land mine, light, alongside the tomb of Admiral Lord Nelson. This elder-expedited by parachute so as to ensure maximum surface damage. A clergyman explained to me that he had descended there at the age. Almost whimsically, the parachute had caught in a tree.

insistence of his staff. "It was different in World War I," he said. The mine swung in the breeze until removed by the bomb disposal squad. "I was more agile then, and they had me kicking fire-posal squad. On an earlier evening, in the winter, during dinner, bombs from the roof of St. Paul's. They were being dropped. Mr. Churchill had suddenly jumped up and shepherded everyone from Zeppelins, don't you know."

one outside, across the street, to the bomb shelter—a premonition. Within minutes, a 500-pounder landed in the back garden. When reports of Hess's adventure reached Berlin, there was destruction of the dining room. Had Winston Churchill been killed not much that Hitler and Bormann could do about it. Goebbels that night, and he certainly could have been, Hitler might well issued a statement that the deputy Fuehrer had been ill at the time he won his struggle with Britain—with just one bomb. Churchill-time. Then, days later, from headquarters came the announcement: Mr. England; it was his foresight and determination:

mination that was holding the nation together until the United States could gear up and make up its mind to come to Britain's aid. The former post of Deputy to the Fuehrer will henceforth bear the title of Party Chancellery. It is directly subordinate to me. It will assist.

be directed as heretofore by Party Comrade Martin Bormann.

On this evening, as I visited with the family, the general tenor (signed) Adolf Hitler

of the conversation was "When will the Yanks come?" It was not to be until after December 7, when the Japanese made their attack on Pearl Harbor. Still, the prime minister had talked on. The wording was brief and low key, but it

marked a giant leap the telephone with President Roosevelt earlier, and the forward for Martin Bormann. Henceforth, the entire party Churchill ladies reflected the optimism that their father exuded.

ministry would be under him. Every Nazi within Germany, in I remember one of them remarking, "With the Yanks to back occupied Europe, and overseas was answerable directly to him.

us up, we will make it all right."

Within the year Hitler added to Bormann's titles those of The drawing and dining rooms had been restored by that Secretary to the Fuehrer and Lieutenant General of the SS.

night of May 10, and back in its place on the mantelpiece was Bormann's power base was complete.

the miniature porcelain fish, touched for good luck by everyone The Auslands-Organisation (A-O) of the NSDAP was a vast entering the room. After a while the first wave of German planes network of German nationals living in other countries. It was approaching London was audible; then the terrifying crescendo founded on May 1, 1931, in Hamburg, and according to its char-of high explosives, followed by geysers of water shooting up ter was to be a means of keeping Germans abroad abreast of the from wrecked pipes in the streets, then a long silence. Mary and philosophy and political programs of Hitler's National Socialist Sarah Churchill and I decided to leave Downing Street for the Party. As war drew near, it became an intelligence network for City of London. Both of the young ladies were in military uni-the Third Reich. Its nominal leader in the late thirties and form. We went to the Savoy Hotel, and while we were there throughout the war was Ernst Wilhelm Bohle, state secretary of firebombs came down. We went outside and walked up Fleet the Foreign Office. In reply to a question put to him concern-Street to within sight of St. Paul's Cathedral, where we were ing the identity of his immediate superior, Bohle replied, stopped by police barricades. I made my own way, taking pic-

"Rudolf Hess, until 1941 when he went to England." And, an-tures, and interviewing some of those fighting the biggest fire to swering the logical

follow-up question as to who had succeeded hit London since 1666.

Hess, "Martin Bormann. Martin Bormann automatically suc-Walking right into St. Paul's, looking for the dean, I found ceded Hess."

him below ground in the crypt, reading Greek poetry by lamp-Bohle denied that the A-O was ever used for intelligence 50

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gathering, but all evidence was to the contrary. The speed with German ambassador in Madrid, to the Foreign Office in Berlin, which information was obtained and sent back to the Foreign asked for permission to rent "a suitable isolated house for the Office in Berlin exceeded even that of Himmler's overseas SS

possible installation of a second secret radio transmitter." Added operation. In Holland, as one example, the chief A-O represen-on was, "Please submit to Gauleiter Bohle." All information tative shared offices in The Hague with a German military intel-gathered abroad by the Auslands-Organisation went to the SS, ligence unit, which consisted of a mere dozen professionals who the Gestapo, the Abwehr, and the Foreign Office, for which it knew their trade. When specific information about any town or served as branches of the Foreign Intelligence Department in hamlet in Holland was required, they asked a man named both hemispheres, including North and South America.

Butting, the A-O leader of the German Citizens' Association in In the United States the German-American Bund received Holland, who got it for them quickly. This association filled two financial and other support from the Auslands-Organisation.

functions: espionage, along with its primary function of being a The bund received instructions from the NSDAP on how to fifth-column agency.

build their political organizations, how and where to hold mass The Auslands-Organisation published the *Year Book of the* meetings, and how to handle their propaganda. In 1938 the *Foreign Organization*. In 1942 it wrote about "the enlargement order was issued by Hitler prohibiting members of

the German and extension of the German Legation in Oslo and of the consulates from having further relations with the consulates at Bergen, Trondheim, Stavanger, Kristiansand, Hamburg. Hitler felt that overt activities by this German-American group, Narvik and Kirkenes.” This also meant “enlargement organization would be detrimental to the future interests of the Reich agencies of the NSDAP in Norway having to in-Third Reich in the United States. Regardless, embassies and create its field of activity too.” This article also stated: “The consulates around the United States continued to feed strategic success of their work, which was done with all secrecy, was data back to Berlin in a covert manner. Von Stempel, first secret-revealed when, on 9 April 1940, German troops landed in retreat of the German Embassy in the United States from 1938

Norway and forestalled the planned flank attacks of the Allies.”

until Pearl Harbor, served as the clearing agent for special data Not all Norwegians were supporters of the resistance. According to other confidential agents in various cities around the country to John Lukacs, the distinguished historian: “The number try. There were also Dr. Draeger, consul in New York, a liaison of people in the Norwegian resistance who died in the Second with the A-O; Wiedemann, consul general in San Francisco; Dr.

World War was less than the number of Norwegian pro-Nazis Gissling, consul in Los Angeles; von Spiegel, c

consul in New

who died as members of their Free Corps on the Russian Front. Their reports went to Berlin and to the deputy Fuehrer, Front.”

with distribution copies to all intelligence services of the It was much the same story in all countries that fell before German government.

the troops of the Third Reich. The Auslands-Organisation was All business organizations abroad had their Auslands-Organ-a so-called fifth column in advance of German armies, and organization men. Outside of Germany, the employees of the three served as an auxiliary force when those armies

arrived. As the big banks, Deutsche, Dresdner, and Commerzbank, all had to leader of the A-O in Greece put it, "I organized the employ-be party members and were supervised by the Auslands-ment of all party members to do auxiliary service for the armed Organisation. Rudolf Tefs was an employee of the Dresdner forces."

Bank in Alexandria, Egypt, from 1934 to 1939. He returned to Nations such as Spain that remained officially neutral during Frankfurt at the start of the war, and became a paymaster in the the war had A-O representatives operating on a large scale with-German army in 1940. Saying that he had been an NSDAP

in their borders. Linked closely with German consulates and member since 1938, he added, "All bank employees in Alex-embassies, they communicated directly with Berlin by wireless.

andria and Cairo were members of the party. . . . Personally and One telegram, dated 23 October 1939, from Dr. von Stohrer, socially and politically, we were under the A-O." He com-52

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mented that the relationship between the leading manager of method of warfare would be unthinkable. The fact that since the the bank and the German Embassy and consulates was very beginning of the war we could produce lead-tetraethyl is entire-close: "The two leading men of the A-O, Lehman and Sieber, ly due to the circumstances that shortly before, the Americans were also leading individuals in the Dresdner Bank." Hans had presented us with the production plans complete with Pilder, official of the Dresdner Bank in Turkey during the same experimental knowledge; thus the difficult work of development years, commented, "The A-O usually opposed non-Nazi offi-

(we need only recall the poisonous property of lead-tetraethyl, cials of the Dresdner Bank in foreign countries."

which caused many deaths in the United States) was spared us, Reichsleiter Martin Bormann inherited this vast intelligence since we could take up the

manufacture of this product together and fifth-column system upon assuming leadership of the party.

with all the experience that the Americans had gathered over He tightened it up and instilled it with a new purpose; it belong years.”

came an instrument used to implement his flight capital proTo be sure, I.G.’s own research facilities produced many a gram in the last few months of the war. However, in comparison scientific breakthrough for the Third Reich. Its experts devel-with another organization within the I.G. Farben structure, the oped the noted Buna Process for the manufacture of synthetic Auslands-Organisation was second best. This, too, reported to rubber, freeing Germany from dependence on natural rubber.

Martin Bormann.

It developed the hydrogenation process for making motor fuels I.G. Farben's N.W.7 office in Berlin compiled military and and lubricating oils from coal. Germany’s shortage of bauxite, economic data on all countries for the Wehrmacht. This depart-the raw material essential to manufacture aluminum, was sur-ment was staffed with men of recognized ability in all branches mounted by its developments in utilizing the element mag-of business and science. It was under the direction of Dr. Max nesium. This was a time of stockpiling. What N.W.7 could Ilgner, nephew of Hermann Schmitz, I.G.’s president, who not purloin, I.G.’s board of directors asked for under cartel was known throughout the industrial world as “the master of arrangements with other international firms. In one instance, financial camouflage.” Farben had offices and representatives in it purchased 500 tons of lead for production of high-grade avi-93 countries, and no social gathering of businessmen was too ation gasoline, obtained by a Farben Swiss subsidiary from the small to be covered by an N.W.7 representative, whose reports Ethyl Export Corporation of America. As it made such pur-on market conditions, factory installations, raw-material sup-chases on the world market in the late thirties, Farben con-plies, and research were transmitted immediately to Berlin and tinued to produce and stockpile everything useful to the Dr. Ilgner.

German armed forces. Of 43 major products by Farben, 28 were In the United States, N.W.7 operated through the firm of primary needs of

warmakers. I.G. made all the synthetic rubber Chemnyco, Inc., an American-formed subsidiary. Chemnyco in Germany, all the methanol, the serums, and the lubricating sent tremendous amounts of information ranging from photo-oils. I.G. provided 95 percent of the poisonous gases as well as graphs and blueprints to detailed descriptions of entire industrial over 90 percent of the nickel and plastics; 88 percent of the complexes and secret processes. From the United States the magnesium derivatives used by the Luftwaffe in its aircraft and new method for production of isooctane, used for motor fuels, incendiary bombs came from Farben, as did most of the nitro-was obtained. A leading I.G. scientist has stated that this im-gen and explosives for the flying bombs and the V-2s. No other portant process had originated “entirely with the Americans German war industry could have functioned without Farben’s and had become known to us in detail in its separate stages.”

raw materials and technical assistance.

The process for producing tetraethyl lead, essential for the This huge organization functioned as a manufacturing and manufacture of aviation gasoline, was obtained by Farben in research arm of the German government, with the responsibil-the same way. An I.G. official, commenting on the importance ity of discovering all possible means of increasing the military of this acquisition, stated: “Without lead-tetraethyl the present power of Germany. More than RM 4.25 billion was invested in 54

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new plants, mines, and power installations, with other millions ministries. The importance placed by the Third Reich govern-going into new research facilities. Albert Speer was to become ment on such industrial information is reflected in a letter dated minister of armaments and war production in 1942, but it was August 3, 1940, to the German minister of economics from Dr.

the money largely supplied to Farben during these preparatory Max Ilgner, director of N.W.7, which stated:

years, at Martin Bormann’s suggestion to Hitler, that fueled the German war machine. So close had Farben become to the gov-Extensive information which we receive continuously from Chemnyco is indispensable for our

observations of American conditions, especially that I.G. always knew in advance all invasions planned by with a view to the technical development, the possibilities for by Hitler. It was to supply the materials necessary to each country, and the competition of foreign countries and companies, especially England. Moreover, this material is, since the beginning of the war, an important source of information for governmental, economic and industrial facilities as additional supply sources for the military offices.

German armed forces.

As German troops swept across Europe and Hitler proclaimed his vision of a thousand-year Third Reich, I.G. Farben also had contact men of N.W.7 throughout the world were called the I.G. Verbindungsmänner, the liaison officers between dreamed of world empire. This was outlined with clarity in a document called *Neuordnung*, or “New Order,” that was accepted by I.G. Verbindungsmänner, as well as all other key Farben representatives by a letter of transmittal to the Ministry of Economics working beyond the borders of the Third Reich, were nomads. It declared that a new order for the chemical industry members of the National Socialist German Workers Party.

of the world should supplement Hitler’s New Order. Therefore, Their loyalty to Hitler and to the New Order was uncompromising—the document stated, Farben was fitting future industrial plans missing, and on September 10, 1937, the commercial committee into such a framework. It projected that the chemical industries of the board of directors of I.G. Farben passed a resolution of Europe, including those of Great Britain, should work for spelling out the importance placed on loyalty to the nation in the Third Reich, and that the United States competition should selection of employees:

be eliminated from world markets. The plan became effective only in Austria, Czechoslovakia, Poland, Romania—western and It is hereby understood that in no case will men be sent to our far-southeastern Europe—where German armies were on hand to seize companies who do not belong to the German Labor Front and enforce it.

who do not possess a positive attitude toward the New Order. The men who are to be sent should make it their special duty to represent Still, this market was vast for the times. I.G. Farben was the sent National Socialist Germanhood. Especially are they to be major chemical firm on the Continent, and as each country fell instructed that upon entering our companies they are to make conto Germany its acquisitions of chemical and dyestuff companies tact with the Ortsgruppe of the respective Landesgruppen [organi-were enormous. I.G. also increased its investments in these by zations of the Nazi Party within the various countries] and regular-RM 7 billion.

ly participate in their meetings as well as in the Labor Front. The The close relationship of Farben to the Third Reich leader-sales departments should also see to it that an appropriate amount ship was underscored in other ways. I.G.'s leading officials of National Socialistic literature is given to them. The cooperation assisted in formulation and execution of economic policies of with the A-O to work out a uniform plan for the purpose of detecting defects still existing in our foreign companies to the end that government; its president was a member of the Reichstag; its they can be eliminated.

leading scientist was a chief assistant to Hermann Goering under the Four-Year Plan; its statisticians and economists pre-So now Martin Bormann had at his command not only the pared intelligence for the Nazi High Command; scores of its Auslands-Organisation but also the I.G. Verbindungsmänner of technicians were at any given time on loan to the air and war 56

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Farben, which could be counted on to heed his orders when it in Washington, D.C.) how this and other secret accounts were was time to disperse the commercial assets of the Third Reich.

handled:

Farben, Krupp, Bayer, and other major German firms outside of The Buenos Aires branch of the Deutsche Sudamerikanische Bank Europe had long been accustomed to complying with orders held an account for the German Embassy in that city, and also an from the Fuehrer's headquarters—that is, Bormann—in Berlin.

account for the Buenos Aires Ortsgruppe of the NSDAP. Similar In Brazil, the agencies of the Bayer division furnished the accounts were also held by the Deutsche Uberseeische Bank, the equivalent of RM 3,639,343 to the German Embassy and to South American affiliate of the Deutsche Bank. With respect to the representatives of NSDAP traveling from Berlin to Brazil for Ortsgruppe account, most South American branches of German firms espionage and propaganda purposes. In Spain, when the Ger-made contributions three or four times a year of approximately man Embassy wanted Spanish pesetas, I.G. Farben supplied 100,000 Argentine pesos. These payments involved transfers from the them, being repaid by the home government in Berlin, a book-accounts of the various firms held with the Deutsche keeping transaction. In Mexico City, the relationship between Sudamerikanische Bank to the Ortsgruppe account. The occasions Farben and the German government was emphasized by a were such events as the Winterhilfe Drive, Hitler's birthday, etc.

Among the most important clients of the bank were I.G. Farben, telegram dated September 2, 1939, to I.G. from the Cia. General Schering, Vereinigte Stahlwerke, Merck, Siemens, A.E.G., Weiss, de Anilinas, S.A., Mexico City. It read:

and Freitag. Among the uses made of the Ortsgruppe account were the transfer of portions of the monies contained therein to Germany IN CASE OF WAR LEGATION ASKS FIRMS MEXICO TO LET THEM HAVE

for Winterhilfe and payments to the local NSDAP staff.

MONEY ON A LOAN BASIS AMOUNTS SHALL BE REFUNDED BY GERMAN

Payments into the Embassy account in the Buenos Aires branch were made from deposits of the Foreign Office in the Berlin office of GOVERNMENT. PLEASE AUTHORIZE MONTHLY PAYMENTS PESOS 10,000

the Deutsche Sudamerikanische Bank. Money to the Embassy ON BEHALF OF ALL I.G. AGENCIES. MEXICO PRESS MUST BE INFLUENCED.

account were also transferred from Germany to Argentina indirectly via

Mexico or Switzerland.

Between 30 and 40 percent of the German employees of the A notation on the bottom of this telegram, once in Germany, Deutsche Sudamerikanische Bank branch in Buenos Aires were read: "Board agreeable. Dr. Overhoff informed." Such payments members of the NSDAP.

abroad before and during World War II were of importance to the German government in the acquisition of raw materials and Martin Bormann now had a vast overseas financial and comin the financing of sabotage, espionage, and propaganda.

mercial network to do his bidding. It was a sturdy beginning, I.G. Latin American firms all maintained, unrecorded in and it was to grow in strength and numbers in the next two their books, secret cash accounts in banks in the names of their years as he organized all German corporations and banks into top officials. These were used to receive and to disburse confi-his safe haven program of flight capital.

dential payments; firms dealing with Farben wanted this b usiness but certainly did not wish it known to British and United States economic authorities. Georg Wilhelm Marty, a German auditor, traveled with some frequency between Germany and South America during these war years to audit the books of the various branches of the Deutsche Sudamerikanische Bank.

He was "on loan" from the Dresdner Bank, and explained in a sworn statement to investigators at the Nuremberg Trials (I took this from a document on record in the National Archives 58

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TO HISTORIANS OF THE NAZI SS, 1943's SIGNIFICANT

events were the surrender of Stalingrad, the ending of hostilities in North Africa, the appointment of Heinrich Himmler by Hitler as minister of the

interior, the capitulation of Italy, and the rescue of Mussolini by SS Brigadefuehrer Otto Skorzeny from an Italian mountaintop fortress. Historians with a broader focus on the European war would include: the round-the-clock bombing by RAF and U.S. Air Force planes of German cities and other key targets, the Battle for the Atlantic in climax and conclusion, the massacre of Polish Jews in the Warsaw ghetto by SS troops (to be repeated with even greater ferocity in 1944

as Russian divisions stood idly outside the Polish capital, on orders from Stalin), the formation in Algiers of the French Committee of National Liberation, at first under generals Giraud and de Gaulle, later under de Gaulle alone, the Allied landing in Sicily, the casting down from power of Mussolini by vote of the Fascist Grand Council, the Allied crossing of the Mediterranean to mainland Italy, the new Italian government under Marshal Badoglio that shifted its support from Germany to the Allies, and the meeting of Churchill, Stalin, and Roosevelt at Teheran to coordinate plans for a final attack on Germany.

But to Bormann the most telling event of 1943 was the appointment of Himmler Reichsfuehrer of the SS and chief of 63

police, to the additional position of minister of the interior of in several ways: through ownership of stock and the right to the Third Reich. This was seen by Bormann as a threat to his vote stock owned by others; through bank officers and stock-control of the 42 *Gaue*, or districts, whose leaders reported holders sitting on the boards of the big corporations, and, in directly to him. Albert Speer also perceived it as a potential turn, including representatives of the largest corporations on dissolution of Bormann's domestic power base, so he looked their boards. Then, when limitations to the size of the boards anew to Himmler as the one who could accomplish what he were mandated, they continued to extend their sway over had failed to do—win out over Bormann in the political infight-German industry by setting up regional committees, *Landes-ing for control of the domestic economy. Himmler attempted ausschuesse to which leading industrialists in the various regions to pull the Gauleiters into line by sending them orders through would be invited to belong. It was considered a great honor to district SS commanders. The Gauleiters complained to Bor-do so, with the opportunity to attend two or*

three meetings a month, who had Hitler prohibit any more such steps. Himmler year at large dinners, to which officers of big banks would journey immediately pulled out, and the Himmler–Speer alliance came new from Berlin.

to an end.

Thus, the big Berlin banks maintained their influence over Martin Bormann was now sole leader on the domestic front, all parts of German industrial life. When a law was passed and he went further to strengthen his hold over the economy.

limiting the number of directorships any one man could hold, it The aging, old-line Gauleiters were replaced with his new breed put the small bankers at a disadvantage because the big banks of administrators, typically with legal training, to handle the could divide their directorships among the many members of complex matters of an economy that, since the fall of Stalingrad their management. Also, by putting officials of leading industries on February 1, was moving rapidly into full war production.

tries on the regional committees, which were not limited in Each district leader had committees constantly surveying the number, and which in the case of the Deutsche Bank listed entire spectrum of his regional economy. There were committees several hundred members, they were able to spread their influence on insurance, electric power, steel, coal, and industry in general.

ence even further.

Their reports went directly to Bormann, who dictated the direction—By inviting the local industrialists to serve on these committees that kept the economy in tune with his thinking. When committees, they, of course, obtained the business of such committees—ever Albert Speer would try to expand his area of armament companies and would extend credit to the companies, when needed.

production, he would receive a curt memorandum from Martin They obtained further control over industry through their Bormann to desist. Speer attempted to bring into his ministry's ability to call in the money due under the credits they extended jurisdiction the Peenemünde rocketry production,

and sent Hitler to the local industrialists. By these means, the big banks considered a request to this effect. The reply was negative and bristling, continued to an increasing extent to capture the customers of the and came not from Hitler but from Reichsleiter Bormann.

small private banks.

In 1943 Bormann moved to control banking by expanding. For these reasons, the district economic advisors of the party regional economic committees into the financial field under his urged Bormann to assume control of the big banks. The smaller department III-B, a unit covering finance and special fiscal regional banks and their customers were unhappy over the projects of a highly confidential nature to which his district domination exercised by the large Berlin banks, and resented economic advisors belonged.

having all their banking decisions now referred by regional prior Reichsleiter Bormann's move to place the banking structure state banks to head offices in Berlin. Bormann was agreeable to of the Third Reich in his domain was understandable, for such a move: it would give him greater influence with all major without the banks he couldn't exercise full control of industry banks, and he foresaw needing at a later date their good will and the economy. In the last years of the war, big banks had assistance in moving capital around the world.

nearly all German industry under their control. This was done. The major corporations did not mind Bormann applying addi-64

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tional checks on the banks, which they thought had become too 1945 but because of the difficulties of that year it could not domineering and cavalier toward their own needs. They were to be used."

aware that German banks administered 70 percent of the capital Schmitz said that Deutsche had become their primary bank of all German stock companies.

because it "was the bank with the old relations with the Reichsbank at the same

time, many large corporations held large blocks of Anilin and Soda-Fabrik and Farbwerke vorm. Friedr.

of stock in the very banks that served them. Siemens & Halske, Bayer & Co., and when I.G. Farben was created in 1925 it was A.G. of Berlin, a giant electronics firm with many subsidiaries, natural that the Deutsche Bank continue relations. It is also the reason that I.G. Farben always asked one member of the bank to come on the board of I.G. Farben. First it was Schlieper, then Schlitter, Mosler, and later on Abs.”

selling it in 1942. It was a quiet deal, Siemens & Halske not All banks, in all countries, work together. Bankers relate to wanting its competitors to know about its insider position. At each other, even if they often fail to understand what motivated annual meetings the firm always had “neutral parties,” a notary votes their customers and the public in general. In Germany, the public, a lawyer, or some friend of the bank vote its stock.

big banks were the money machines that insured the silent A like situation prevailed with H.F. & Ph.F. Reemtsma, a financing of the war Hitler was planning. In order of fiscal international tobacco firm located in Hamburg. It had acquired strength and importance, Deutsche Bank led the Big Three, 5 million Reichsmarks of Deutsche Bank stock during the same followed by Dresdner and Commerzbank (the standing of the banking crisis of 1930, but held on to it through the years. In three still today in the Federal Republic of Germany; Fortune later days, the bank asked Reemtsma to buy several million magazine places these among the 50 largest commercial banks more shares of its stock that was floating in the market, inas-in the world outside the United States).

much as Deutsche Bank was not permitted to buy its own Here is an explanation of the type of industrial funding by the shares. In appreciation, the bank extended guarantee facilities big banks to produce the behind-the-scenes financing of the to Reemtsma to cover cigarette tax stamps of 25 million marks.

war, related by a participant of the management of Deutsche Again, the stock was voted anonymously for Reemtsma by Bank. It is fairly representative of loans continually made to the neutral parties.

munitions industry throughout the war by all big banks: I.G. Farben, however, was of such size and generated so much Loans to the aircraft industry in 1943 amounted to some 150 million cash flow of its own that it didn't need to hold bank stock to Reichsmarks. Of the long term Government guaranteed loans, some extract favorable treatment. It could tell its prime bank what to 22 million went to Bavarian Motor Works and about 10 million to do and how to do it at any time. Hermann Schmitz, president Daimler-Benz. Dornier received six million RM (of a syndicate of the management of I.G. Farben during twelve years of the credit of 60 million) without Government guarantee, covered by Third Reich and an early Hitler supporter, once told Nurem-assignment of Government orders in 1943. A similar loan of 15

berg investigators how Deutsche Bank functioned for I.G.

million Reichsmarks was given to BMW in 1944. Daimler-Benz also

"The banking transactions performed by Deutsche Bank were had a 15 million loan of the latter type, but did not draw on it until mostly in collection of money from customers. They always the closing months of the war. There was a large loan to the Frankled the syndicate of banks when increases of capital and issue of furt affiliate of the Verein Deutscher Metallwerke for aircraft purposes. I do not recall the amount, but it was substantial.

debentures were necessary. Generally I tried not to arrange loans with banks. I made one exception when I arranged a revolving credit of something like RM 170 million in 1942 for General The Martin Bormann Nazi Party Committee on Banking Motors which could be repaid and taken up again over a period consisted of ten district industrialists and bankers. The chair-of time. This credit was intended to be used in the beginning of man of the committee was Hellmut Boernicke, who was 66

general manager of the Brandenburger Provincial Bank and Party on every economic and financial question that arose.

on the board of Deutsche Bank. Another member was Hein-Baron Kurt von Schroeder, a well-known banker of Cologne rich Huncke, who was president of the Chamber of Commerce during these years and an economic advisor to Bormann's economic committee in Berlin, on the management committee of Deutsche economic committee, commented that Dr. Hermann Josef Abs, Bank, and an economic advisor of the Berlin district of chairman of Deutsche Bank, was particularly important to the the National Socialist Party. Another was Wilhelm Fickelmaier, government of the Third Reich.

of Frankfurt, where he was also economic advisor to the party

"His influence was mainly with the Reichsbank and with the and a management member of the Metallgesellschaft. There was Ministry of Economics. Abs proved very valuable to the party Walter Jander of Dessau, who was with the Junkers Werke; and to the government by using his bank to assist the government-he was on the board of Commerzbank and was economic advisor in doing business in the occupied countries and in other of Dessau. Walter Rafelsberger of Vienna was party economic foreign countries. Abs enjoyed excellent relations with Walther advisor for Vienna. He was an engineer, but had a seat on the Funk, who was both president of the Reichsbank and head of board of Creditanstalt-Bankverein of Vienna (owned by Reichs-the Ministry of Economics.)"

and Deutsche Bank), Wolfgang Richter, an economic advisor Walther Funk stated that the bankers and banks of greatest for the Sudetenland and manager of the Braunkohlen Syndicate importance in German financial affairs abroad were "Abs of Mitteldeutschland. Julius Maier served as economic advisor (Deutsche Bank), Goetz or Rasche (Dresdner Bank), Rode of Hanover. He owned the private bank of Hanover, Julius wald (Reichskreditgesellschaft), Radort (Aerobank) ." Funk Maier & Company. There was Dr. Walter Schieber, economic added that this last-named bank, the Bank der Luftfahrt (Aero-advisor for Thuringia. He lived in Weimar and was manager bank), "confined its activities largely to the monetary affairs of an artificial wool company in Schwarza, and a member of France and Norway. But Deutsche Bank and the Dresdner the board of directors of the

Dresdner Bank during the final Bank had few limitations on their activities, due to their world-months of the war. Christian Franke, economic advisor for wide associations and prestige in finance.” Even within their Muenster and Westphalia, North, was also president of the own organization, much of their personnel reflected the Nazi Muenster Chamber of Commerce and head of a large lumber Party. Branch managers of Deutsche Bank were to a man mem-company. Karl Heinz Heuser served as an alternate to Huncke bers of the party; of course, management insisted that all be on the Bormann Nazi banking committee, and also served as an first-class bankers, men who had come up through the Deutsche alternate economic advisor for Berlin.

Bank ranks to positions of authority.

This banking committee not only had government access to While the Big Three of German banking were vital to the all German bank operations and a degree of control, but it also funding of the German war machine, both before and during placed representatives on the boards of each bank. The big the war, Deutsche Bank was much more so, for it was the lead banks did not object, merely insisting that these men not be bank in establishing economic authority over the banks and party hacks but party professionals who had a feel for and corporations of the occupied countries. When the German understanding of finance. The bankers of Germany have always armies were preparing to invade the Lowlands and France, looked to the seat of their government for guidelines, and if Deutsche Bank submitted to the Ministry of Economics its plan this was what Bormann wanted they would go along. From the for insuring economic control over nations about to be overrun Fuggers of the sixteenth century or the Rothschilds of the by the Wehrmacht. Like I.G. Farben and its “New Order” for eighteenth century, bankers in Germany could make or break the European chemical business, Deutsche Bank’s plan was also governments, and did. But during the era of the Third Reich, named Neuordnung. It was approved by the Ministry of Eco-their period of enormous power, they had become virtually a nomics and the Reichsbank, and when German armies moved second government. Bank chairmen were consulted by the Nazi Deutsche Bank followed.

In Belgium, control was assumed by establishing banking finance failed to collaborate. The Third Republic's business elite subsidiaries of the big German ones, which also bought majority was virtually unchanged after 1940. Jewish businessmen, of control of existing Belgian banks. The Deutsche Bank already course, were penalized for being just that, along with those who had its own branch in Brussels and was doing business as usual joined de Gaulle. The Vichy government, and the occupation on May 19, 1940, when German troops marched into the city government under German domination, was run by "notables,"

and proceeded to give a band concert in the Grande Place—it people who had already made it in public administration, combeing a sunny afternoon. Dresdner Bank bought majority inter-merce, finance, and the professions. They regarded the war and est in Banque Continentale of Brussels and Antwerp; the Bank Hitler as an unfortunate diversion from their chief mission of der Deutschen Arbeit bought into Banque de l'Ouest in Brussels; preventing a communist revolution in France. Antibolshevism Commerzbank moved in on Banque Hanséatique of Brussels.

was a common denominator linking these Frenchmen to GerIn Holland, German banking exploitation was achieved simply mans, and it accounted for a volunteer French division on the by having the Deutsche Bank, which had long been interested in Eastern Front, which in actuality was useful only as propaganda Handelmaatsschappj, increase its holdings in H. Albert de Bary for the Germans. Hitler never thought much of the volunteer

& Co., Inc. The Berliner Handelsgesellschaft increased its hold-divisions of occupied Europe, dismissing their existence with, ings in the Hollandsche Koopmansbank. The Bank der Deut-

"We will rise by ourselves."

schen Luftfahrt acquired all shares in N.V. Hollandsche The upper-class men who had been superbly trained in finance Buitenland Bank, while several other German financial institu-and administration at one of the two grand corps schools were tions secured majority shares in Rodius Koenigs Handel Maat-referred to as France's permanent "wall of money," and as schappin. Three subsidiaries were established by Dresdner Bank.

professionals they came into their own in 1940. They agreed to Deutsche Bank bought majority control of Bohmische Union the establishment of German subsidiary firms in France and Bank of Prague and the Banca Commerciale Romana of Bucha-permitted a general buy-in to French companies. In 1941, rest and 30 percent ownership of the Banque Générale de French banks sold a large part of their holdings in the industrial Luxembourg. It purchased controlling shares from banks in and banking enterprises of central and southeastern Europe; Belgium and Paris, which up to that time had owned these after all, they reasoned, the German armies were already there, banks of Prague, Bucharest, and Luxembourg. The Société Gén-which secured French interests; and half a loaf is better than érale de Belgique of Brussels and the Banque de l'Union none.

Parisien of Paris, which owned these banks, sold their shares to In Paris the usual direct penetration took place by shareowner Deutsche Bank. In much the same way, this German bank control of such as Worms et Cie. (now Banque Worms Group), bought majority stock from Belgian and French majority share-the Banque de Paris et des Pays-Bas, Banque Nationale pour owners of Columbia Oil and Concordia Oil, both Romanian le Commerce et l'Industrie (now Banque Nationale de Paris), joint stock companies operating these oil-producing plants of and Banque de l'Indo Chine (now Banque de l'Indo Chine et Romania.

de Suez Group).

These economic penetration specialists of the Third Reich On May 23, 1940, all French banks operated under the Ger-handled France similarly, with but a slight difference. In the man banking administration, and fiscal operations came under years before the war the German businessmen, industrialists, the supervision of Berlin auditors. When the Japanese bombed and bankers had established close ties with their counterparts Pearl Harbor on December 7, 1941, and President Roosevelt in France. After the blitzkrieg and invasion, the same French-announced that the United States was at war with Japan and men in many cases went on working with their German peers.

Germany, the branches of American banks in France came They didn't have much choice, to be sure, and the occupation under German control and were closed, except for two American being instituted, very few in the high

echelons of commerce and banks: Morgan et Cie., and Chase of New York. Both received 70

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this special treatment through the intercession of Dr. Hermann stituted a minority society of social and economic outcasts.

Josef Abs of Deutsche Bank, financial advisor to the German Some turned to the Resistance-not too many until Allied troops government. According to U.S. Treasury agent reports, the favor-were at the gates. On the other hand, as part of the “carrot,”

able treatment was due to an “understanding relationship” be-compliant workers in factories and employees of banks received tween Lord Shawcross and Dr. Abs. Sort of an “old school tie,”

part of an increased salary scale in food bonuses, so that they an unspoken understanding among international bankers that and their families survived the occupation in better style.

wars may come and may go but the flux of wealth goes on Hitler could afford to strip these countries of 153 divisions forever. Lord Shawcross was, and is, a British financial leader in and send them to the Eastern Front in 1941. Thirty-eight divi-the City of London, a distinguished barrister, and a board mem-sions were enough for the Lowlands, Belgium, and France: bank ber of many international firms; he had also been serving as control and the police, both German state secret police and the special advisor to Morgan Guaranty Trust of New York, and local police who worked for them, did the rest.

to their French and Spanish banks. Morgan et Cie. and Morgan In Holland, because the big local banks did not have stock et Cie. Internationale S.A. and Chase of New York had their ownership of the firms they financed, Deutsche Bank specialists own ties to Abs. Lord Shawcross was later to become chief approached the industrial problem in a dif

ferent way. They

prosecutor for the United Kingdom before the International brought into the key firms much as they would go about nego-Military Tribunal at Nuremberg. He was to have many friendly tiating a takeover in peacetime, except that their hole card was conversations with Dr. Abs, who was under house arrest for a the German army.

time in 1945. Both Lord Shawcross and Dr. Abs were to work As one example, AKU (Algemene Kunstzijde Unie N.V., together again in the 1950s in jointly sponsoring an interna-of Arnheim, Holland) was a chemical firm, which had been tional organization named "Society for the Protection of For-formed in 1929. It owned outright an important subsidiary, eign Investments of World War II," with headquarters in Vereignigte Glanzstof f, among other properties. In Germany Cologne, West Germany-all this according to testimony and the Dutch-owned subsidiary was Vereinigte Glanzstoff-Fabriken documents submitted to the U.S. Justice Department and a A.G., of Wuppertal-Elberfeld. The Germans already held a Senate committee in Washington.

minority interest in AKU and V.G. But Deutsche Bank and Meanwhile, in 1940, Jewish banks in France (such as Banque Reichsbank wanted majority control, not only for the benefits Transatlantique, Lazard Frères, and Rothschild Frères) and it would provide to German war production in Holland, but for many a more modest Jewish firm engaged in the securities busi-the increased profits that would flow to German shareowners.

ness and in international operations were seized, but were all This is how the transition was accomplished: AKU had com-returned to rightful ownership after 1945.

mon shares and preferred shares; the latter, which had the bigg er In both Belgium and France control of banks gave the Ger-voting rights, were all in the hands of members of the board of mans control of industry because banks could vote the shares AKU. The first move was to change the composition of the they held in commercial firms, determining management's col-board. The German Ministry of Economics, in the person of laboration in manufacturing products for use in Germany. Con-Hans Kehrl, asked a Cologne banker, Kurt Freiherr von Schroe-trol of both banking and industry in occupied countries was der, to join the board of AKU and of Vereinigte Glanzstof f.

therefore essential to continued effective domination of a nation.

Upon becoming a board member of AKU, Schroeder received People depended on factories and commercial establishments for 6,000 florins of shares (6 shares of 1,000 florins each). He re-their livelihood; they needed banks to cash paychecks and for ceived these as a trustee and as a member of the board. At the their savings, as well as to lend them money for business expan-beginning of the war there were eight members on the board of sion and home mortgages. Those eliminated from this economic AKU: three Germans and five Hollanders. The chairman of circle suffered severely. With no jobs and no savings, they con-the board was Mr. Fentner van Vlissingen; the vice chairman 72

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was Dr. Abs of Deutsche Bank. Deutsche Bank controlled many of North Carolina. All continue profitable for AKZO NV and of the AKU shares and had a leading position in the Vereinigte the Dutch and German shareholders.) The original move for Glanzstoff. Liaison between the two companies was carried on control in 1941 was prompted by the German need to increase by Vaubel. The eight men holding the priority shares were all the production of artificial wool and cellulose. To fulfill this now in a consortium. The Germans dominated this consortium, AKU needed more capital, for the construction of a new plant although technically the Dutch had a 50 percent interest. Before for the artificial wool, and it had to found a new company, each meeting, when the shares had to be voted, it was decided SOVE, to produce increased cellulose. Deutsche Bank agreed how they could vote. The shares of the trustees had to be voted to increase the AKU capital by 10 million florins with nonvoting the same way. The German holders were trustees for the Verei-certificates in Germany, retaining the original shares with its nigte Glanzstoff. The Germans, such as von Schroeder, who voting rights. Any who bought the certificates received the had received their shares at no cost, were obligated to turn back same dividends and had the right for one time only to change their stock when they left the board. They were merely trustees, the certificates for original shares. Deutsche Bank, with its 10

and voted on order for V.G., as did the priority shareholders.

million florin shares of capital with voting rights, was in com-Before board meetings, owners of the priority shares received mand, but it was not until it bought additional shares of AKU

letters from the Deutsche Bank or V.G. management telling in Holland that it held a majority of the total shares. The AKU

them how they should vote. The eight priority shareholders shares against which certificates were issued by the Deutsche each held six priority shares valued at 48,000 florins. Before each Bank were deposited with the Deutsche Bank Filiale Hamburg; meeting Dr. Abs and Mr. van Vlissingen held a short con-in the amount of 27,762,900 florins with German stamp and ference, at which time the course the voting should take was 3,444,400 florins without German stamp were the amounts ex-outlined. The leading figure was Abs; van Vlissingen would changed for certificates by the Deutsche Bank at that time, deliver the instructions as initiated by Abs.

when AKU was reorganized in 1942.

Kurt von Schroeder said the Dutch members did as the Ger-If all this seems devious in a war of shot and shell, it is. But man government desired. "They never made difficulties. Abs such a form of control was necessary to the long haul of occupa-was the leading man because of the majority of the shares he tion, in which the Third Reich envisioned a peaceful, prosper-controlled in the consortium."

ing community of nations within their Fortress Europe.

There were three American companies, North American Commerce and industry had to go on, and profits had to flow Rayon Corporation, American Bemberg Corporation, and Amer-with benefit to all involved parties and shareholders, if a com-ican Enka, all subsidiaries of Vereinigte Glanzstoff subsidiaries.

mon market under German direction were to succeed and com-American Bemberg was a subsidiary of J.P. Bemberg A.G., itself munism were to be held back.

a subsidiary of Vereinigte Glanzstoff f. After the war began, it Once Martin Bormann had the German banks assume ma-was difficult to manage the three American companies from jority control of the fiscal apparatus of each overrun country Germany. An ef fort was made to have the American subsidi-and of the corporations of special worth to them, the German aries appear to be under Dutch rather than German control.

“Four-Year Plan” was the next step in total administration, The consortium of V.G. and AKU, however, continued receiv-determining precisely which individuals were to direct these ing annual reports and the profits from the American firms enterprises in the occupied areas; also, into which German placed on deposit to accounts in Switzerland, through Swiss sphere of requirement such should fall.

subsidiaries. (In the 1950s, both AKU and Vereinigte Glanz-In Holland, the overall administrator of the financial and stoff were reshuffled and became part of a Dutch holding com-economic plan was Dr. Hans Fischbock. The Luftwaf fe took pany, AKZO NV. AKU today is AKU-Goodrich, and Vereinigte charge of the electronics firm of Phillips, which had become Glanzstoff has been absorbed into the American Enka Company a prime supplier. Phillips of Eindhoven was likewise used for 74

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special wireless projects, thanks to its astounding capabilities in of the American OSS. Charles Ellis learned of the Roosevelt-the manufacture of electronic communications and radar equip-Churchill telephone conversations from Stephenson, who was ment. One such was to engineer equipment that would monitor a frequent visitor to the White House. Ellis sent his message to the telephone conversations between Prime Minister Churchill Mueller through Gestapo channels via Mexico City to Buenos and President Roosevelt.

Aires, where it was beamed to Hamburg by one of the clandes-In 1940 AT&T and their Bell Laboratories had developed a tine German transmitters in that capital. The Ellis report was device for secret telephone transmissions between the president quickly taken by General Mueller to Reichsleiter Bormann, of the United States and the prime minister of Great Britain.

who promptly told Hitler about it. The Fuehrer ordered Bormann - This so-called X-System was the first speech encoding technology to do whatever was necessary to unscramble these communications that could be deciphered only at the point of intended conversations and provide him with transcripts within hours of their reception. Churchill, from his command post beneath the bunker.

Westminster, would speak into a specially contrived handset; his Under the direction of Group III of the Berlin cipher section, words were encoded with electronic pulses called "key signals,"

Bormann instituted a hurry-up program, and after many months and transmitted by short-wave radio; received at AT&T headquarters intensive work and many millions of Reichsmarks spent by the quarters in New York City, they would then be transmitted to research institute of the Deutsche Reichspost, Dr. Ohnsorge, the White House, where the key signals would be deleted; thus minister of postal services, informed Bormann that a sophisticated listener, the president, would hear only the perfectly clear, coded installation would enable them to unscramble undetected original message. It was a giant leap forward in telephone communications - the telephone conversations between the two Allied leaders and confidentiality, developed by Robert C. Mathes, Ralph K. Potter, place them in clear, listenable context. The task was described and P.W. Blye, Bell engineers.

by German cryptologist Wilhelm F. Fricke: "Just imagine you But this unique invention of telephonic radio scrambling was are standing on the edge of a seething volcano, with a dozen about to lose its confidentiality. In 1941 a Gestapo agent with a yelping dog just behind you and with a few wolves and lions the British intelligence structure sent a coded report to General howling and roaring at the other side of the crater. Add a gentle Mueller in Berlin that top secret information affecting the course whistle to this sound mixture and you have an idea of what and outcome of the war was being regularly exchanged over the scrambled speech is like and what German engineers had to ether between Churchill and Roosevelt. Although it is true that penetrate before they could extract words."

British intelligence had penetrated the German General Staff, The chief German electronics engineer who developed this it is equally true that General Mueller had his mole inside counterachievement of the Deutsch

Reichspost was Herr Vet-Britain's Secret Intelligence Service, a fact unknown to either Terleyn. In September 1942, under his direction, the Dutch the British or Admiral Canaris of the Abwehr, who was leaking engineers of the newly captive firm of Phillips at Eindhoven information secretly to General Sir Stewart Graham Menzies, constructed the necessary installation in a monitoring station, head of MI-6.

on a spit of land close by The Hague.

General Mueller's agent was Charles Howard Ellis, a top-Nazi was delighted each time Reichsleiter Martin Bormann level British career intelligence officer who also served as a Nazi placed on his desk a transcript only hours after the American double agent throughout World War II. At the time of his president and the British prime minister had held one of their tipoff to General Mueller, Ellis was in New York as second in transatlantic conversations. Bucked up by the ingenuity and command to Sir William Stephenson ("A Man Called In-patriotism of his German inventors, he expressed thanks to the trepid"), who was doing his best to move the U.S. into war Phillips engineers. "Their work alone in this matter made the against Germany with a combined propaganda and British spy taking of Holland worthwhile," he is said to have remarked to operation and who later assisted in the formation and training Bormann. Indeed it did, for it gave Hitler a window into the 76

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workings in London and provided him with the certain knowl-control of the principal banks and industrial corporations of edge that there would be no Second Front in 1943, leaving him these countries by buying sufficient shares from their principal free to shift further divisions from the Westwall to the Eastern shareowners, French and Belgian banks.

Front. The many hundreds of British and Allied agents sacri-A similar pattern was developed for Luxembourg, a country ficed by the British in France and in the Lowlands to convince smaller than Rhode Island, whose principal industry is iron and the Germans there would be a Second Front in 1943 makes a steel. The Germans annexed Luxembourg, as they did Alsace-dismaying footnote in the history of World War II. Not until Lorraine, and it

became an administered territory, like Poland, February 1944, months before D-Day, did British intelligence Belgium, and Holland, where local nationals did not serve as discover that its worst security leak was at the top of the pyra-government. Gustav Koenigs, chairman of Hamburg-Amerika mid, and order the Royal Air Force to destroy the Nazi moni-shipping line and a director of many companies, was appointed toring station in Holland.

Reich trustee of ARBED, an important Luxembourg steel car-Bormann's Four-Year Plan proceeded like clockwork in West-tel, by the German Ministry of Economics. There were in ern Europe, and the Germans made a special effort to apply the ARBED 250,000 shares outstanding, the majority held by Lux-same to the countries of southeastern Europe. Before World embourgers, Belgians, and French, in that order. German share-War I they had large holdings in public loans, railways, banks, holders, largely through their banks, accounted for 54,747

mining, oil, and other industrial interests in this part of the shares. Some were held by British and Americans through their world. As a condition of the peace treaties following World secret accounts in Swiss banks. A shift in control was made War I, Germany forfeited it all, and furthermore had to pay when Gustav Koenigs, as Reich trustee, also became trustee of retributive reparations to those countries that had taken the side the Belgian- and French-held shares. On April 19, 1943, a share-of the Allies. Part of the Austrian and Hungarian holdings, holders' meeting was held in Luxembourg city, and the capital especially in the heavy and armaments industries and in b ank-of the company was converted from francs into Reichsmarks.

ing, were taken over lock, stock, and barrel by France and ARBED was recapitalized at 300 million Reichsmarks (\$120

Great Britain, as well as by Belgium, Switzerland, and other million), and under German direction the cartel became the nations. Thus, up until 1934, what was left to Germany was third largest iron and steel company in Europe, ranking behind minuscule; they held only 1 percent of the total foreign invest-only Germany's Vereinigte Stahlwerke and the Goering Steel ment in Yugoslav industry and less than 1 percent of the total Works. A sales company was then formed under the name of foreign investment in Yugoslav banking.

Luxembourg Iron & Steel Company to market all ARBED

With the advent of National Socialism, perceived as a saving products throughout Europe. It was capitalized at RM 1.5

grace, and the concomitant era of renewed German production, million. To further tighten German control over the iron and trade, and Reichsmark diplomacy, the Fatherland once again steel output of this small, mountainous country, all of the iron became a force to be reckoned with in southeastern Europe, mines in Luxembourg were combined and amalgamated into drawing it into the Nazi orbit. In 1941, when German armies one unified association under German direction. This associa-slashed through the Balkans to the Aegean in five weeks, the tion was named "Luetzellurg," and its advisory board was ap-administrators of the Four-Year Plan moved to exploit this pointed by the chief of the German civil administration. Gustav region in a businesslike manner. They carried out the financing Koenigs, as Reich trustee of ARBED, served as president of and development of important raw materials in Yugoslavia, Luetzellurg.

Romania, and Bulgaria. For this they utilized the skills of The two principal German banks, Deutsche Bank and Dresd-German industrial firms to extract maximum benefits from the ner Bank, had assumed 73 percent ownership of the Banque mining, steel, and petroleum industries. Deutsche Bank, D res-Générale de Luxembourg and the Banque Internationale de dner Bank, and Commerzbank had already gained majority Luxembourg in May 1940. They bought majority shares of the 78

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two Luxembourg banks from the Belgian and French banks, Against this background, and with the schism between France where they had increased their shareholdings to a controlling and Britain, France looked to Germany rather than to Britain.

interest. Both Commerzbank and the Deutschen Arbeit banks The economic penetration of the neutral nations was handled established branches in Luxembourg.

differently by German corporations and banks. They continued In dealing with all other aspects of the economy of occupied to move in tandem, I.G. Farben and Friedrich Krupp, A.G., to countries, the Germans were just as thorough. In 1939, the name only two major ones with worldwide interests, and manu-British insurance companies held nearly half of the French port-factured and sold their products while participating banks han-folios, amounting to 90 billion francs, or about \$1,800 million.

dled the funding and the collection of money, according to When France fell, all British insurance offices in both occupied terms of contracts between manufacturer and principal.

and unoccupied France were closed and by agreement with the Hermann Brombacher, manager of the War Material Export French Insurance Department in Vichy, and the German Cen-Branch of Friedrich Krupp A.G. in these war years, stated that tral Organization of Insurance Carriers, a full concession was all contracts for export had to be passed on by two government issued by France to German insurance companies. The Munich agencies, A.G.K. (Ausfuhr Gemeinschaft Kriegsgerat) and Reinsurance Company had already penetrated France before O.I.W. (High Command of the armed forces). Brombacher 1939 through the Société Anonyme de Réassurance of Paris. In said that foreign business was handled in the following manner: 1940 Nordstern of Germany acquired most of the British busi-

“All companies competing for a f oreign contract would notify ness. The heavy industries of France were put to work for A.G.K. of the facts of their bid. A.G.K. had the power to deter-Germany, as was the iron and steel industry in Alsace-Lorraine.

mine if a particular company's prices were right. One company By 1941 there was great bitterness in France toward the British, could not offer a price lower than that of another German firm, anyway. It appeared to the French now that most Allied milion the same product. The contract would usually go to the tary successes seemed to involve French losses. First, there was company having the best name or the one preferred by the the British invasion of Syria in June 1941. Then the British foreign government. The companies who were then unsuccess-blockade of the Continent began,

causing grievous food and fuel shortages in the bidding would often be licensed by the company shortages in France, although had the German occupation authorities securing the contract to fill part of the order. The

the company

authorities not drained so much food from the French economy receiving the order would be called the leader of the syndicate and diverted it to Germany the shortage would have been or 'consortium,' and would often license the other companies manageable. On March 3, 1942, the British bombed the Renault to aid them."

works in the Paris suburb of Boulogne-Billancourt, which caused Brombacher gave as one example a 1937 Krupp contract with great damage and civilian casualties. Also, the Vichy French Brazil for the delivery of certain types of war materials. "To were still smarting from the seizure of two battleships, four light cruisers, two submarines, and about two hundred small craft at had several representatives in Brazil (namely, Bromberg & Co.).

anchor in Portsmouth and Plymouth. But the shelling and Rheinmetall-Borsig, Krupp's main competitor for the business, bombing of the battleships Bretagne, Dunkerque, and Provence also had representatives in Brazil. When Krupp secured the at Oran, and the Richelieu at Dakar, along with lesser vessels, contract, Rheinmetall was then ordered by A.G.K. not to convert Britain into an enemy of Vichy France, although Chur-pete with Krupp in Brazil. The expenses of Rheinmetall's re-plant was wise to order the attacks to keep this naval force from representatives were ordered paid by A.G.K. out of the expense clause falling into German hands. If they had—and German plans of the new contract."

were being made to seize the ships and man them with German As an insight into how Krupp operated its vast armaments and Italian crews—the battle for the Mediterranean and the business during World War II (in contrast to World War I, Atlantic would have swung in Germany's favor.

when it had to import precision instruments from Switzerland), 80

Brombacher stated, "In the Second World War we had our own Roosevelt Cairo Conference, which took place on the eve of German sources for the photoelectric and radar fire controls their meeting in Teheran with Josef Stalin. Foreign Secretary used for our guns. We were supplied by the German firms of Eden had persuaded a Turkish delegation to come to Cairo. At Siemens & Halske A.G. and Siemens-Schuchert-Werke A.G. All the meeting he pointed out the urgent Allied need for Turkish optical devices were built by Carl Zeiss."

airbases, and the advantages that would accrue to both sides if He added that Krupp had also shifted from being mass sup-Turkey entered the war on the side of the Allies. The Turkish plier of the German war machine to being primarily a develop-delegation sat through this discourse unmoved. They said that ment and invention agency for weapons that were then mass granting of airbases to the Allies would be an act of intervention, fabricated by other manufacturers.

and that nothing could prevent German air strikes on Constanti-While supplying weaponry to other countries on the O.K.W.

nople, Ankara, and Smyrna.

approved list, Brombacher said they didn't let the war interfere Later, Eden privately remarked to Churchill, "Considering with profits. He explained one gun contract Krupp had with what has been happening to us under their eyes in the Aegean, Holland. Krupp had not finished building the border defense the Turks can hardly be blamed for their caution."

guns Holland wanted under terms of their contract, "so Krupp What Eden did not know is that the Turkish delegation had loaned Holland some big defense guns on a cash rental basis."

better reasons for being negative to his proposals. They were When the German army rolled over Holland in May 1940, locked up in Reichsmark diplomacy, and members of the dele-although it wasn't much of a roll-over because the borders were gation did not want this golden thread broken.

thinly patrolled and the way had been smoothed by the German Germany was having a field day in Turkey. German assets Citizens' Association (the A-O), "the rented guns were re-totaled about \$30 million and the Turkish-German clearing possessed by Krupp and later sold to the Italians."

account was \$15.7 million, yet neither figure tells the true story The expansion of the German economy despite war produced of German assets in Turkey at that time. Two German bank a new Reichsmark diplomacy that made a profit for everyone branches, the Deutsche Bank in Istanbul and the Deutsche involved: the corporations, the banks, their shareholders, the Orient Bank (a Dresdner bank), were depositories for a steady Reichsbank, the government of the Third Reich; and in coun-flow of bonds, cash, gold, bank deposits, and foreign exchange tries where sales were made the business elite prospered, as did belonging to German firms and individuals. Six German insur-the middlemen who handled the goods and the tradesmen who ance companies with branches in Turkey followed a standard sold to consumers. It was a golden circle of Reichsmark diplo-policy of linking Turkish insurance companies into their own macy, which had its ef fect on foreign policy and the conduct operation with grants of German investment capital, which of the war.

automatically forced these firms to bow to German policy. But Consider Turkey, and the reasons that it remained outside it also generated large fluid assets, which were invested in local the Allied fold until the waning days of the war. The Big Three, real estate and other properties and business ventures. More than Roosevelt, Churchill, and Stalin, all agreed it would be desirable sixty German-controlled firms in Turkey were engaged in build-to have Turkey in the war in 1943. But they didn't have Reichs-ing and public works contracting; building materials and to-mark power; they didn't have the guns and aircraft and diverse bacco merchandising; importing and exporting; chemicals and consumer products Turkey craved. In short supply themselves, pharmaceuticals; shipping, forwarding, and transportation; ma-they were carefully stockpiling any excess war equipment for chinery and electrical equipment; and as commission agents.

1944 and Operation Overlord. So they attempted rhetorical I.G. Farben, Krupp, and Bayer were each represented.

diplomacy.

Then there was a 100-million Reichsmark order for German Winston Churchill had Anthony Eden meet with a Turkish war materials to Turkey. While the Eden conference was taking delegation on November 23, 1943, the time of the Churchill-place in Cairo, Turkish and German businessmen and govern-82

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ment leaders were discussing this contract by a consortium of Unicolor S.A. represented 16 German firms having interlocking German firms. By terms of this sale, bonds of the Turkish directorates with several large Spanish chemical companies.

Treasury to the amount of RM 100 million were deposited with There were Lipperheide and Guzman S.A. (later to be re-the Deutsche Bank, to be redeemed in half-yearly installments named Industrias Reunida Minero Metalurgicas S.A.), whose from 1944 to 1949 in return for Deutsche Bank credits.

holdings included smelters and transportation facilities. There Deutsche Bank was handling all the financial aspects of the were also in Spain two prominent German-owned banks.

Turkish order. This bank computed the sums each German firm The Spanish Civil War had given Germany a strong foothold was to receive in cash, and then formed a syndicate of several in Spain. Hitler had sent technical aid, a Condor division, and banks for the funding, with the German firms receiving their dive bombers to Franco. The war also enabled his new genera-money immediately. To the German O.K.W., an important tion of army strategists to test new field and air tactics and element of this transaction was the resumption of chromium weapons. In return, General Franco later sent his Blue Division ore shipments from Turkey to Germany. The Turks received to Russia, but by German accounts this did not square the their war materiel from Germany with promptness, but were Spanish debt.

able to pay only two installments on their war bonds, those due In November

1943, an agreement was reached in which Spain May 15 and November 15, 1945. In August 1944 Turkey had acknowledged a \$1 billion debt to Germany. Several payments reluctantly cut its diplomatic and economic relations with Ger-were made, in free credits. One payment was of \$60 million to many. On February 23, 1945, four months before the German be used by the Germans to buy Spanish property, finance goods, surrender at Rheims, France (on May 7) , Turkey declared war and sustain the German diplomatic staf f in Spain. In July 1944

on the Axis.

the balance due had been brought down to \$40 million by In another neutral nation, Spain, Reichsmark diplomacy Spain. By April 1945 Spain's debt was only \$22 million, and it worked equally well. Although Franco sympathized with Hitler was being negotiated by German interests.

and his war against communist Russia, even to the extent of German economic penetration of Portugal was limited. In sending a volunteer division to the Eastern Front, he became 1944 prewar investments in mining gave way to the purchase more neutral as the war went on. In 1943 he had been told of properties in the cities of Portugal. I.G. Farben did not man- during a personal meeting with his old friend, Admiral Canaris, ufacture in Portugal, merely marketing pharmaceutical special-that Spain should stay out of the war; that Hitler could not win.

ties through their Bayer Ltda., in Lisbon and Oporto. The most From this moment on he became more even-handed in his important German manufacturer in Portugal was the electrical treatment of German and British diplomatic representatives firm of Siemens Companhia de Electricidad S.A.R.L., a division who were quietly fighting for his attention and for the other of the Siemens group of Germany. No German banks were perks that go with a most-favored-nation relationship.

established in Portugal.

On the industrial front, however, Germany was winning hands In their efforts to harness the economies of Europe, admin-down. Almost all sections of the Spanish chemical and pharm-istrators of the Four-Year Plan encountered

resistance “to the pharmaceutical industry came under the control of I.G. Farbenindustrie-proposed takeover of certain companies, such as the German firm. It controlled many Spanish firms directly or through branch of the Ford Motor Company. The management of Unicolor S.A. I.G. Farben owned 51 percent of the stock in

“Ford-Werke A.G.” wanted to hold this company together as a Sociedad Electro-Química de Flix, whose manufacturing profit-making entity (“The war won’t last forever and we have assets were under license from I.G. Química Comercial y a good thing in Ford”). They believed that once government Farmaceutica S.A. was a subsidiary of I.G. Farben and dis-bureaucracy laid its hand on their corporation it would never tribute the Bayer line of medical products in Spain. Farben be the same. Therefore, Dr. H.T. Albert, chairman of the board, 84

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sent a memorandum to the Four-Year Plan administrators from prestigious private bank of Delbruck Schickler & Co. in Berlin.

R.H. Schmidt, president of the board of Ford-Werke A.G.

Recalling those days, Abs has written:

They mustered the arguments on whether a complete German-The Reich Chancellery in Berlin was its largest account, and it was nationalization of Ford would be necessary or advisable. In part, Schmidt through this account that Adolf Hitler received his salary as Chancellor-wrote:

cellar of the Reich.

All vehicles and parts are being produced in Germany by German workers using German materials; export into the European and Martin Bormann, whose control of the Reich chancellery was overseas sales territory of the United States and Great Britain has absolute the moment he succeeded Rudolf Hess, maintained a amount to many millions in the last year of peace.

cordial relationship with the Berlin banker. Dr. Abs moved to Foreign raw materials were obtained through the American com-the Deutsche Bank on December 30, 1937, where he became pany (rubber, nonferrous metals) to cover production needs of the first a member of the board of management, later the chairman German plant and in part for the whole industry.

of the most powerful bank in Germany, which was to tug the As soon as the American stock majority in Ford-Werke A.G. is German financial apparatus ever forward into new areas of eliminated each Ford company in every country will fight for its financial expansion and power throughout the world.

individual existence. Amsterdam, Antwerp, Paris, Budapest, Bu-Reichsleiter Bormann knew that his relationship with Abs charest, Copenhagen, etc. are concerned (about a collapse of the would tighten as his own power grew. Remaining on friendly general Ford organization in Europe).

terms with the Third Reich's leading banker was a contentment.

A majority, even if it is only a small one, of the Americans is He knew in 1943 that with his Nazi banking committee well essential for the actually free-transmittal of the newest American models as well as for the insight into the American production and established, he had the means to ultimately take the reins of sales methods. Since Americans are without a doubt particularly finance unto himself. Through this committee and through the progressive in this field, the maintenance of this connection is in power that flowed from Hitler to himself, he could set a new the German interest. Through license fees or contractual stipulations Nazi state policy, when the time was ripe for the general trans-this advantage, as well as the importance of the company for the fer of capital, gold, stocks, and bearer bonds to safety in neutral obtaining of raw materials and exports, would be lost. The plant nations.

would practically only be worth its own machine capacity.

Bormann, like Hitler, had no illusions that victory would be theirs on the field of battle. Hitler had settled in his own mind The memorandum was dated November 25, 1941, and the that a sort of victory might accrue to Germany only with a United States went to war two weeks later. While Mr. Schmidt's compromise peace with the adversaries. To Martin Bormann, and Dr.

Albert's argument became moot, the German government had commented at Obersalzberg in 1943, "No one will make war did not break up the Ford operation of Europe. They peace with us now." Yet he went on nurturing the hope of admired its efficiency, placing the various motor companies in establishing a holding line near Kursk in the Ukraine, then different countries into their armament production scheme.

fighting the British and the Americans to a standstill in the East. At the apex of this vast financial and economic administration-West.

tive structure was positioned Reichsleiter Martin Bormann. He had retained his grip on the pulse of German finance ever since. In the summer of 1943 Hitler requested Bormann to call a day he took charge of the finances of the Fuehrer, and the meeting of his SS security chiefs. Present were Hitler, Bormann, vast funds of the Reich chancellery. His friendship and association Himmler, Heinrich Mueller of the Gestapo, and Schellenberg, with Dr. Herman Josef Abs predated Abs's move into the man-head of SS foreign intelligence. Foreign Minister Ribbentrop's management of Deutsche Bank. Dr. Abs had been a partner in the bank and also sat in on the conference because his ministry was to supply

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essential data in the game plan now being devised. It was a Trepper who was transported from prison to a large and comfortable house in Neuilly, at the corner of the Boulevard Victor with the West, while simultaneously establishing contact with Hugo and the rue de Rouvray. Well guarded, from this location Moscow.

Trepper sent messages to Moscow; the Red Orchestra had been decided at the conference that Himmler should make come the Brown Orchestra. But Trepper's hope was that some approach to the West, while Mueller would begin a "Funk-way along the line he could inform Moscow that he had been captured," a radio game using captured communist wireless equipment, that his network had been rolled up, and that he was to send messages to the intelligence gathering center in transmitting under duress. Such an opportunity did come after Moscow. This center, so-called, controlled all Soviet agent activity some months when he smuggled out a coded account of his

tivities outside Russia. It was the net that pulled in all com-situation, which reached the Soviet Embassy in London and was munications, which were then distributed to the various passed along to Moscow. Until that time, however, the center intelligence chiefs in Moscow, according to priority and need.

was receiving streams of misinformation, from six transmitters, Anything dealing with shifting strategy in Berlin, London, and in five countries, all run by Mueller's Gestapo, in addition to the Washington went directly to Stalin. Mueller was very good at Trepper one in Paris. One of the more accomplished Red forcing captured "enemy" wireless operators to work for the Orchestra members, who had succumbed to working for Mueller Germans, using their transmitters, codes, and personnel to cause under dire threats to his person, was Johann Wenzel, an expert London or Moscow to believe it was their own agent on the air the center had shifted from Holland to Brussels to coordinate still transmitting valid information.

air traffic of the Belgian network. Wenzel stayed on the air for At the time of this 1943 conference with the Fuehrer, the six months, only to be betrayed under duress by Sophie Paz-Abwehr had control of Leopold Trepper, a Polish Jew who had nanska, a cipher expert promoted to station chief in Brussels run a brilliant network for the communists. It had earned the who had been seized by the Germans. Wenzel, who knew the nickname "Red Orchestra," because its wireless operators in new codes in use by the center, returned to the air waves, now Berlin, Amsterdam, Brussels, and Paris appeared to transmit for the Germans, unsuspected by the staf f of the center. In like an orchestra as they followed one after the other each night January 1943 Wenzel, while transmitting, leaped up suddenly, with their messages to the center in Moscow. It took the Abwehr knocked his guard unconscious, and fled. Reaching the Nether-and the Gestapo two years to demolish the Red Orchestra.

lands, and using a transmitter the Gestapo had not found, he Then they learned that all participants were militant Jews dedi-sent a full disclosure of Mueller's radio game. It was evidently cated alike to communism and the concomitant defeat of neither grasped nor comprehended in Moscow, for in his mem-Nazism; thus, to the Nazis it was yet another threat to contend oirs

of 1977 Leopold Trepper stated: "Judging by his answers with. By the end of 1943 the Gestapo had entrapped more than the Director suspected nothing.",

130 communist agents, most of them workers for the Red By this time, Heinrich Mueller had dispatched an assistant Orchestra.

to Paris to handle Trepper and, in general, the transmission of The Abwehr arrested Leopold Trepper, the leader, in Paris.

information to the Russian leadership. Heinz Pannwitz was the Shortly thereafter he was placed under the control of the G es-individual, a Hauptsturmfuehrer SS, who had served as aide to tapo, and rather than die he agreed to cooperate by transmitting Heydrich in Prague when the German SS leader was gunned coded messages to the center in Moscow, material that had been down by Czech agents from London. In angry retaliation for prepared by the Bormann-Mueller team in Berlin. This latter this, Pannwitz had ordered the execution of thousands of was about to launch "Operation Bear," under Hitler's direction, Czechs and the burning of Lidice, becoming known to history a campaign of sly and false information they believed just might as the "butcher of Prague." In Paris he was determined to make split the Allies and lead into a separate peace with Russia.

a name for himself, and he did so in a predictable, unsavory 88

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way. But during a full-scale propaganda of fensive by means of were, some of the remarks could be, and were, misinterpreted the Paris Red Orchestra unit, Leopold Trepper had escaped by Stalin.

and remained underground until the liberation of the French Himmler made his peace approaches to the West through capital in August 1944. He was to return to Moscow the fol-emissaries he sent to Stockholm and Berne, confirmed by Soviet lowing year, but his misfortunes there are another story

agents in these cities. Himmler's men carried documents, falsely he was incarcerated ten years in Lubyanka prison waiting for drawn to show Stalin's

eagerness for a separate peace pact with his loyalty to the Soviet Union to be investigated. Following Hitler. Himmler had a long talk with one German resistance leader about the desirability of peace with the West, and disto Warsaw. Captain Heinz Pannwitz had made his way to cussed how this could be accomplished. He knew the news Moscow believing he could get better treatment from the Rus-would travel swiftly to London because, if nothing else, German sians than from the English. He was also imprisoned for ten resistance leaders were a talkative, hopeful lot. But the fellow years, then released. In 1977 he was managing director of a bank sent to Berne almost brought about Himmler's undoing. He in Ludwigsburg, in West Germany.

carried a suitcase filled with undeniably authentic documents Back in 1943 at the start of Operation Bear, with a peace provided by Ribbentrop's Foreign Ministry. The man, Herr approach to both sides agreed upon at the above-mentioned Langbehn, went first to the British Legation in Berne and asked conference, Himmler and Mueller locked horns. Himmler was to see the British military attaché. He explained he was an SS chief and minister of the interior; Mueller was SS Oberst-official of the German Foreign Ministry and had brought with gruppenfuehrer and Generaloberst der Waf fen SS—that is, SS

him from Berlin a suitcase of Foreign Ministry documents. On chief group leader and highest general of the SS force. They hearing this claim, the attache presumed it false, and told him disliked each other intensely. Himmler had been in chicken he was not interested. The German then tried to see the head farming before the war; Mueller had been inspector of detectives of the chancellery in the British Embassy, but was rebuf fed

on the Munich police force and had been taken into the Ges-there. So he went to the American Legation and repeated his tapo by Heydrich, who needed a core of professionals to make story. A Legation secretary, deciding this was cloak-and-dagger the German Secret State Police more efficient. Their open material, sent him on to Allen Dulles, head of the OSS in hostility to each other made Hitler angry too, and he had Switzerland. He heard out the German's story, viewed the ordered Bormann to be not only an arbitrator between Him-documents, realized they were genuine, and reported them to

miller and Mueller but to be personally in charge of the wireless Washington immediately. "If only," his message went, "you game deceiving Moscow. This was fine with Mueller, who had could see these documents in all their pristine freshness."

cultivated Bormann ever since the day the Reichsleiter had The documents were duly copied and sent to Washington succeeded Rudolf Hess. He perceived that this was a leader who with Dulles's opinion appended that all evidence pointed to knew what he was doing, and who would go far.

their being a genuine approach by the Germans for a peace Things developed, two against one. Bormann didn't like with the United States and Britain. Copies were also sent to the Himmler either, and together they ultimately cut Himmler OSS in London, which made them available to British intelli-down to size. Bormann and Mueller began transmitting high-gence. At this point Kim Philby, the British traitor who later level information to the center in Moscow through their fled to Russia after serving it for thirty years, took charge of the

"turned" wireless operators. Mixed in with the valid data was documents and of the Dulles memorandum, and reported their information on Churchill and Roosevelt picked up from their contents and the German peace feeler to his control in Moscow.

transatlantic conversations, purportedly stolen by communist Moscow received an additional confirming report from their agents from German government files. Out of context, as they man in William Donovan's OSS headquarters. This communist 90

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agent was a chief of the desk staff in the Washington office, sly response: "But even my intelligence services don't tell me and his position gave him access to all incoming reports of OSS

everything."

station chiefs around the world, including those of Colonel At Teheran,

President Roosevelt tried for Stalin's approval David Bruce in London, chief of the OSS in Europe. It also of his statement made at the Casablanca Conference with explained why many of Allen Dulles's most secret memoranda Churchill, in which he called for the unconditional surrender were blocked on receipt in Washington, never to reach the of the German nation. At the time, this took Churchill by sur-commander in chief, the president. After the war, I visited prise, as it did the president's generals. The president told his Donovan in his Wall Street law office; he confirmed the story aide, Harry Hopkins, "Of course, it's just the thing for the and remarked sadly, "It was all too true."

Russians. They couldn't want anything better. Unconditional Himmler, however, made a couple of mistakes. One was his surrender. Uncle Joe might have made it up himself." These rendezvous with a German resistance leader, which was ob-remarks, seemingly of fhand, had been decided upon earlier in served by two of Mueller's men. Another was sending an emis-Washington, following a meeting with one of the president's sary to Switzerland, whose information was too good and too closest advisors, Supreme Court Justice Felix Frankfurter, of secret—and the man had opened up too much with Allen Dulles.

whom it was written by Jay Pierrepont Mof fet of the State D eLater, a message from a British agent in Switzerland to London partment, "The power behind the throne was Felix Frank-carried by a man who had talked to Dulles, was intercepted by furter." He wanted the German nation punished absolutely and Mueller, who showed it to Bormann, who in turn passed it on totally, and told the president he should insist on "unconditional to Hitler, who hit the ceiling over such detailed revelations.

surrender." Henry Morgenthau, another advisor, had urged the Himmler survived this only by arresting his own emissary to president to "turn Germany in a howling wilderness." President Berne, and cutting off all further overtures to the West. Every-Roosevelt accepted Frankfurter's proposal, but rejected that of thing was now in Bormann's hands, and he preferred dealing Morgenthau.

with Stalin at this point in history. He thought that with Ger-But at Teheran, Stalin disapproved of Roosevelt's uncondi-man armies pressing hard a better

peace accommodation could tional surrender position. He was not impressed with such super-be made with Russia than with Britain or the United States.

fluity; it would only prolong the war, and Russia had suffered in actuality more than the other nations. He commented, "This Peace was not to come to Europe through these initiatives war is being fought with British brains, American brawn, and in the summer and fall of 1945. Many strategies of deception of Russian blood."

both Churchill and Hitler failed, but the suspicions fostered by After the Teheran Conference, early in 1944, Hitler termi-Martin Bormann lingered. At the Teheran Conference, Stalin nated his wireless game with the Moscow center, and Operation was plainly distrustful of the British prime minister. Two years Bear was shut down. An official in the Foreign Ministry in had passed since Rudolf Hess's adventure to Scotland to arrange Berlin, who had been involved in the operation, said: "Either a cessation of hostilities between Britain and Germany, and this Hitler did not want to turn the radio game into a diplomatic episode rankled the Russian leader, whose suspicion and anger reality, or he was not capable of doing so. And there was no were reinforced now by this other information from the center Talleyrand in Berlin to take the matter in hand," he added in Moscow. He questioned and needled Churchill repeatedly sadly.

about the purpose of Hess's flight. Finally, Churchill replied However, Hitler considered substantial the gains from Opera-heatedly that he was not accustomed to having his word chal-tion Bear. He had, thanks to it, planted divisive distrust among lended. "When I make a statement I expect it to be accepted the Big Three. Because of it, too, he hoped they would go ahead as fact," he retorted to Stalin. The Soviet deflected this with a with an invasion of Normandy, which Hitler was confident 92

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would be disastrous for the Allies in general and the political propelled Prime Minister Churchill into approving the British ruin of President Roosevelt and Prime Minister Churchill. Then raid on Dieppe, in August 1942, a disaster that served to show he would make peace with Stalin, whose nation had been bled the American General Staf f that it was not quite time

for an white; with 20 million dead, and a failed invasion of France by invasion of France. At the time, Churchill explained, "My gen-the United States and Britain, the upshot would be a peace eral impression is that the results fully justified the heavy cost."

conference between Hitler and Stalin.

(Of the Canadian 2nd division which took part in the Dieppe Later, in Washington, President Roosevelt recalled that the raid, 18 percent of five thousand men lost their lives and nearly sole agreement at Teheran was that each principal would move two thousand more men were taken prisoner.) Sir Alan Brooke, forward as quickly as possible. FDR had informed Stalin that he chief of the Imperial General Staf f, added: "It is a lesson to the could not at the time make long-range agreements for his people who are clamouring for the invasion of France."

country because he faced an election. "Overlord," the code So it was that in June 1944, as an outcome of the Teheran name for the invasion of Normandy, was to be made operational Conference, there was set up one of the awesome military in May or June of 1944, and the Big Three prepared to return gambles of history. On its outcome rested, among other things, to their respective capitals. Sir Alec Cadogan, Britain's Perma-the personal future of the leaders who had guided the war but nent Under Secretary for Foreign Af fairs, noted in his diary: who now regarded each other's motives with intractable sus-

"The Great Men don't know what they are talking about . . ."

picion. Operation Bear had worked.

Still, they all knew June of 1944 would determine the future of The people in the occupied nations had meanwhile settled the war, not to mention the future of each leader. FDR yearned into the mold imposed on them by the German army and the for Overlord. Failure to launch a Second Front could mean economic experts of the Third Reich. Their banks and industries defeat for him in the November national elections, at least and agriculture had been brought into Bormann's Four-Year Hitler thus wryly observed to Martin Bormann. Ninety percent Plan, for greater efficiency and prosperity. All

nations on the of America's war effort was going to Europe, but there was Continent, whether occupied or neutral, now looked to Germany-widespread and influential sentiment for a shift in emphasis many for economic leadership, as they were to resume doing in toward winning the struggle in the Pacific. After all, the Japanese-the years following World War II, when the Common Market itself had actually and without provocation attacked the United States was formed by consenting nations acknowledging that unity of States at Pearl Harbor, said these advocates, and this made its purpose is the key to coprosperity and that somehow the German-more America's war, rather than the situation in Europe.

men had the answer originally in 1942 when they were melding Roosevelt was fighting a rearguard action against this move-the economic institutions of the Continent into their own mold. A Second Front was vital to his plans of first defeating Germany.

Germany before taking on Japan with full-scale intensity. He was also increasingly handicapped by a whispered belief that he had failed to alert the personnel at Pearl Harbor in time to prevent the catastrophe. After all, U.S. Army Signal Corps cipher experts had broken the Japanese diplomatic and military codes; the imminence of the attack was known in the White House a full two weeks before it happened. Roosevelt's detractors accused him of deliberately sidetracking this information until it was too late for the defense command in Hawaii to take protective action. If indeed true, and all evidence now available indicates it is, it was the same High Command philosophy that



Bormann and Hitler at Hitler's mountaintop country house near Berchtesgaden.





A party celebrating Hitler's birthday on April 20, 1938, at Berchtesgaden. In the front row to the right of Hitler and Eva Braun are Herr and Frau Martin Bormann. Third from the left in the second row of the picture is Albert Speer, later to become Minister for Armaments and War Production. (Rudolf Hess, nominally Bormann's chief at Eva Braun when she was secretary to

the time the picture was taken, is not even in the group, Heinrich Hoffman, Hitler's personal

an indication of his declining fortunes even in 1938.) photographer.





Four photographs of the firebombing of London taken by the author the night

Rudolf Hess parachuted into Scotland, May 10, 1941.





Purported grave of General Heinrich Mueller in Berlin.

The headstone reads “Our Dear Daddy,” Mueller’s name, and his dates from birth to alleged death in 1945.

When exhumed by court order in 1963, the grave held Nazi Reich State

Security Bureau (Gestapo) SS General three skeletons, none with Mueller's short stature and Heinrich Mueller, wearing SS uniform and decorated high forehead.

with the highest civil medal for war service.



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Fritz Thyssen, the Ruhr industrialist and early financial supporter of Hitler.

The picture was taken in Germany by Thyssen's young grandson, Federico, prior to the flight of the Thyssens to Switzerland in 1939. The grandson is now Count Federico Zichy-Thyssen of Buenos Aires, who controls the Thyssen Steel Group of Düsseldorf from the Argentinian capital.

NINETEEN FORTY-THREE ALSO MARKED AN EMO-

tional plateau for the people of London. The war was going better in the Mediterranean, and the reassuring buildup of forces in England could be seen on every side. But after three years of putting out, a lassitude set in. Food and liquor were in short supply. In neither Britain nor Germany was there a black market of any consequence; the inborn rectitude of both peoples made for compliance with rationing regulations—that is, until the war ended, when, in Germany for a time, the black market was for survival. But in France, Belgium, Luxembourg, Holland, even in Warsaw, the black market flourished under the direction of the cynical and self-serving, catering to those to whom luxury in general and good food in particular became the touchstone to bearing the whole thing. This spirit was reflected by Paul Reynaud, premier of the French government that presided at the fall of France to the Nazis. He had fled in 1940 to Bordeaux with his cabinet, which was in fact dominated by his mistress, Helen de Portes. Winston Churchill asked Reynaud to proceed to Algiers to set up a new resistance government; he refused to do it. During this period, Reynaud's physician asked the premier for help in getting passage to England. Reynaud brushed him off with: "Why bother? In two weeks England will have given up. Stay and have lunch—Helen's marvelous—despite everything 99

she's managed to persuade the chef to make a chocolate soufflé not only from the limited nutrition of rationed food but even for you."

more from the long, unending fact of coping, coping, coping.

In England there were inequities. Some of the rich, but not At the Savoy Hotel food went on being served with the usual in general the old families, the aristocracy, had skipped out of elegance and flair, but the impeccably polished silver salvers London and were living in fine style at Torquay, on the south-bore roast pigeon rather than grouse from Scotland as in the east coast, where elegant hotels overlooked the very beautiful past. Still, each

night the Carroll Gibbons orchestra played, and yacht basin. Along the upper Thames, it was not uncommon to the bar was crowded with Fleet Street journalists and American see women in satin and chif fon and men in black tie stepping war correspondents; among the habitués, along with myself, from limousines into hotels for a weekend of luxurious living, were such notables as Scotty Reston, Drew Middleton, Ernie with money no object.

Pyle, and Ray Daniels. Walter Cronkite was reporting for From Brussels and Paris, those who could still af ford it went United Press at that time. All of us moved between Fleet Street for summer vacations to the mountains or seashore. If you offices where we wrote our stories, the Ministry of Information knew the angles and had the wherewithal, food always was where we received copy clearance, and the American bar of the available in wartime Europe. At the infamous market Sennaya Savoy where we exchanged gossip. I had joined CBS News in in Leningrad, fresh chopped human flesh was sold in the terrible London, having served as European bureau chief for an Ameri-winter months of the siege during 1941-42. The Germans, due can news service in the British capital, but was then hired by to the efficiency of their own rationing system, had sufficient and Edward R. Murrow to help cover the war in Europe. Piccadilly well-distributed supplies until the end of the war, at which point Circus and Leicester Square were close by, and they were the everything broke down, understandably. This factor, more than route of many service men and women on leave, making their the importation of food from occupied countries, accounted for way through the dimly lit, usually foggy, streets to their destina-the higher nutritional level of the Germans. In Paris the Ger-tion of the evening.

mans let five de luxe restaurants continue serving meat through-Survival this long was a hard run for the British. There had out the occupation.

been Coventry, Edinburgh (where fires destroying a distillery John Lukacs, in The Last European War, writes a melancholy one night gave the firemen a memorable binge on Scotch whis-description of the Warsaw ghetto and the luxuries obtainable key), Glasgow, the Midlands, Liverpool, Bristol, Plymouth, and there, if one had the price. "Restaurants, cafés, nightclubs (and, the largest and most vulnerable target of them all, London. By what is less surprising, brothels) existed, taking in fantastic I their resolute

determination not to cave in, Londoners were an sums.”

example of glowing courage to cities elsewhere in Britain, whose How can this be explained, interpreted, rationalized? Such inhabitants, by extension, felt akin in worth to Londoners, so behavior took place wherever wealthy refugees, of any national-they too held out under extreme battering from the air. By 1943

ity or race, congregated-in Cannes or Lisbon, for example. It the atmosphere of urgency had backed away. Some reminders was this writer’s observation that such folk lived simply for the were seen in small towns and villages where RAF fighter pilots moment, and that in Warsaw especially life held little future.

of the Battle of Britain, and later ex-bomber crews of the air The curfew kept the general population in their dwellings at counterattack over Germany, underwent plastic surgery. One night. Birthrates went up. Under the strictures of limited gaso-could readily spot these young men; they were shaken and with-line, thus much walking and limited food, the average European drawn as they hobbled through old streets or sat in the sun on lost fifteen to twenty pounds. Parisians became accustomed to village greens, their characteristic skin grafts as much a badge of bicycles and pedicabs; a pleasant benefit was that air pollution merit and bravery as their uniforms and Distinguished Flying was so reduced that the trees along the Champs-Élysées greened Crosses.

once again. The typical Londoner had a face pale and drawn, Writing of these scenes of long ago reminds me of one CBS

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Radio broadcast that Ed Murrow, Alexander Woollcott, and I field headquarters at Rastenburg on the Eastern Front, on did one evening from around Britain. I, in Scotland, described March 20, 1943, and returned to his Bavarian chalet at Obersalz-the fright of the bombing of Glasgow and the contrasting tran-berg for three months’ vacation, leaving his military to hold

the quility of nearby Loch Lomond, where I talked with a gentle-Russians at bay until spring. It was from there, Obersalzberg, man who had lost his home entirely to the bombing that very that Reichsleiter Martin Bormann dispatched the workings of day, and had thereupon gone fishing in the beautiful Loch.

government. In May, the Fuehrer returned to Rastenburg to Philosophical about the ruinous blitz, he declared to me: "Ma direct the battles of spring and summer.

family and ma fishing tackle were all safe in the wee Anderson Back at Number 10 Downing Street, Winston Churchill also shelter." In Plymouth, Alexander Woollcott spoke to wives of had to have his respite. It was spent at Chequers, the traditional the seamen who traditionally make up the crews of destroyers country house of the British prime minister, given to the Crown and escorts and battleships of the British navy. He began his back in 1912 by a very rich merchant, and along with it a trust broadcast with this: "The loss of a destroyer in the Atlantic is fund for its maintenance. Not so with Downing Street itself, the only a stick of type in your newspaper tonight. But here in upkeep of which was paid for from Churchill's £10,000 annual Plymouth it means a street of widows." In London, Ed Murrow salary as prime minister, which placed him in a high tax bracket described the condition of the city and the strain of three years that left him very little to live on. In fact, it was not until there of war on a courageous people, and postulated what the imme-was later published Churchill's monumental six-volume series diate future held for him: "Unfortunately, more of the same, on World War II ("to get my story on the record first," he for war is a process of waiting until it is time to cross the Chan-said), that he acquired the means to live out his life in serenity.

nel into battle." For the British, that eventuality had not ar-Lord Beaverbrook, the late newspaper tycoon, handled world-rived, except for the waters of the North Atlantic and the skies wide sales of the books, which amounted to millions, but, alas, over Germany.

that too fell in the high brackets. But Beaverbrook had the wis-Among the German people, there was lassitude. However, dom to establish the Churchill Foundation, which helped out Hamburg had been nearly destroyed in the

initial massive Brit-with taxes. Churchill told me once that in the 1930s, when he is raid of the war, in this year of 1943. Four hundred aircraft was politically in the wilderness, it had been touch and go finan-had dumped high explosives on the city, but the most awful cially. He depended on his income as a professional writer; he devastation took place when oil and gasoline storage tanks went did a weekly series on general European affairs, with this byline: up in flames. Fanned by strong winds, it became truly a holo-

“By the Rt. Hon. Winston S. Churchill.” “It was a hand-to-caust. Thousands of human beings attempted to flee to the mouth existence, and not pleasurable,” he remarked. But in his river, but there, too, fire was engulfing the very water from the own modest country house in Westerham, Kent, where he him-spillover from the oil barges, which, of course, were aflame too.

self laid the bricks around the boundaries of his land, the Sun-Those who managed to hurl themselves into the water perished day dinner table was always graced with a roast of beef. His dear anyway. It has been estimated that the heat reached 1,000

wife Clementine said of those days, “It was his pride and degrees Fahrenheit that night. In other areas of Germany, even wish to have a nice table at least once a week for the family.”

in cities not especially hard hit, war strain was on all faces, just Pride of the same sort motivated Charles de Gaulle, in the as in London. Stalingrad fell on February 1, and with it 350,000

years after his retirement from leadership of France, to go on German soldiers either died, were grievously wounded, or were setting a bountiful table, despite the cost. He had refused a taken prisoners of war by Stalin’s soldiers, many never to be grant of money from the French government, and lived on his seen or heard from again. Through necessity, Germany was now soldier’s pension in his unassuming country home. The day came moving into full mobilization. Adolf Hitler himself was af fected when Mme. de Gaulle had to sell a valuable table centerpiece to by the continuous tension. On his doctor’s advice, he left his pay for the dinner that her husband insisted on the following 102

Sunday. Considering the reality of his financial situation, he dable increase over the 57 he had started with in 1939. January applied for a loan from the Rothschild bank in Paris. The bank was a month of severe storms in the Atlantic. This weather manager then was Georges Pompidou, and he gladly granted the factor worked against the submarines, but still they managed to loan to de Gaulle. Only in Germany was the national leader account for 37 ships totaling 203,000 tons. In February they in-spared personal financial worries; there Adolf Hitler had in creased British sinking to 63 ships, 360,000 tons. In March the Martin Bormann a man who could anticipate and take charge number of sinkings rose even higher, and the prime minister of all fiscal affairs for both the party and the Fuehrer.

was gravely worried. How, he queried, could U-boats with a Churchill's schedule seldom varied in this wartime year of below-surface speed slower than that of any convoy manage to 1943. The vulnerability of Number 10 Downing Street to enemy intercept so many convoys? For a submerged U-boat to attack bomb hits prevented him from sleeping there. He went there in a merchant ship it needed a good sighting position, preferably the early morning, and in a ground-floor bedroom got into a on the bow, and a fast convoy zigzagging didn't provide that pair of pajamas and climbed into a large, old-fashioned ma-much of a target. "Yet the Germans are getting through and hogany bed facing a window from which he viewed a grassy doing severe damage to our supply ships from America . . . the area back of the house. Then he read. First were the of ficial

answer is either luck or good intelligence," Churchill remarked.

overnight papers, then general mail, reports from the Mediter-It turned out to be good intelligence. Doenitz had his sub-ranean, the Balkans, the Atlantic. At 8:30 he would ring for his marines attacking as wolf packs, no longer singly, and Allied breakfast. Then one of his six secretaries would enter to take merchant convoys were harried from all sides. The German dictation on a noiseless portable typewriter. In this manner all admiral went on record: "The German B-service, our crypto-his books were written, both before and after the war. Around graphic section, time and again succeeded in breaking enemy 10:00 A.M., the secretary elsewhere processing the work, Chur-

ciphers. As a result, U-boat Command received not only the cipher would bathe, dress, and proceed to the large, log-heated British signals and routing instructions sent to convoys, but also conference room in the adjoining wing, for a cabinet meeting.

in January and February, 1943, the British U-boat Situation He would listen as each minister in turn reported and answered Report, which was transmitted to Commanders of convoys at the many questions Churchill posed. A round-table discussion sea and which gave the known and presumed distribution of would follow, and the conference would be over. Lunch would U-boats in different areas.”

likely be in the company of key men of the Admiralty and the With this information the submarines could change their War Office, who had merely to cross the street to enter Number positions quickly and then regroup to meet a convoy head on.

10. An hour nap after lunch, the prime minister would then The British and American naval commands, unbeknownst to walk to 2 Great George Street near Storey's Gate, passing a Doenitz, could also intercept these German cipher signals with sandbagged guardpost at the entrance, and descending to be-their highly secret “Ultra” code breaker system.

neath the pavements of Westminster to his command post.

The edge held by the German side was demonstrated in While there was a certain quietude on the London streets in March 1943, when two great convoys left Halifax for England.

1943, there was nothing of the sort in the command post. The Their identities were HX229 and SC122. The B-Dienst crypto-Battle of the Atlantic was in its most critical phase, and at this grapher unit in Berlin intercepted the sailing message, giving time location the British naval of ficers would discuss with Churchill of departure of HX229, a convoy of 40 ships, on March 8. It the moves that would counter those being made by Grand was to anchor in the Mersey, near Liverpool. Doenitz ordered Admiral Doenitz at his U-boat Command Headquarters in a wolf pack to intercept it. Then he learned that another con-Berlin.

voy, SC122, of 60 ships, would be departing, and another wolf Admiral Doenitz began 1943 with the greatest number of pack was dispatched from its patrol area to an interception point submarines he had ever had at his disposal, 400; it was a forml-off the English coast. British naval intelligence in Whitehall 104

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picked up these instructions on their Ultra devices, and ordered Germany. Doenitz knew the only solution for the Nazis now both convoys to change course. But as both neared the western was faster submarines, snorkel-equipped, electrically propelled, approaches to England the vessels had to close ranks. When using torpedoes, which could travel without detection by exist-they came into view of the U-boats at night, they presented a ing sonar devices. It was this new generation of U-boat that broad front totaling 106 ships and strung out for miles. Destroy-Hitler ordered into full production in 1944.

ers and escort vessels tried frantically to cover the vast area from attack. The U-boats approached silently underwater, then sur-The biggest out-in-the-open news story of 1943 in Europe was faced amid the convoys. The Germans had 40 U-boats in their the night-and-day bombing of Germany by the Royal Air Force force, and started their attack on March 16. It was a running and the United States Eighth Air Force. The Battle of the battle for days, and when it was over one in five of the convoy Atlantic could not be told in full, nor could the war of decep-ships, carrying every imaginable item of war from tanks to Spam, tions that had failed for Churchill and Hitler. But commencing was sunk.

at almost base zero in the summer of 1942 (when the best the

“It was as close as we came to total defeat in the Battle of the U.S. Air Force could do was to launch a symbolic raid on Atlantic,” one British naval intelligence of ficer was to observe.

France on the Fourth of July with six fighter bombers, three of However, April was to be even worse, with more submarines which failed to return), the buildup of American air strength was streaming into the North Atlantic and

claiming 56 ships of steady. Graceful B-17 Flying Fortresses, suited to the war 330,000 tons before the month was over.

in Europe, along with lumbering Liberators, strategically pref-Prodded by Churchill and by U.S. naval authorities, British erable for the Mediterranean and the Pacific, were arriving con-naval intelligence, which knew now that the enemy was reading tinuously and in great numbers. Existing runways were being their naval codes, changed to a fresh and more complicated lengthened everywhere to accommodate these aircraft, and cipher, and started to use newly invented decoding machines centuries-old farmland and meadows were being bulldozed into provided by the U.S. Navy. These changes defied all ef forts of new American airfields. England was being transformed into the B-Dienst, and for the first time Admiral Doenitz had to one vast aircraft carrier.

operate without the information he needed to direct his wolf The Casablanca Conference of January 1943 had closed with packs. British and American naval escorts grew larger in num-the startling "Unconditional Surrender" utterance by President ber. Surveillance aircraft, now flying in increased numbers over Roosevelt, which ultimately prolonged the war with Germany.

the western approaches to England, were also equipped with It also brought to an end the bitter disputations between British improved radar for detecting submarines. Combined, these and American air strategists over the coming use of American benefits contributed to the sinking of 41 U-boats in May, and bombers in England. The British wanted the Americans to Allied shipping losses were fewer by 200,000 tons. On May 24, bomb along with them at night. They had tried daylight bomb-1943, Admiral Doenitz instructed his U-boats to withdraw for ing and their losses had been extreme. But General Hap Arnold a time from the struggle. "I ordered them to proceed, using the and General Ira Eaker, commander of the U.S. Eighth Air utmost caution, to the area southwest of the Azores," he later Force, held out for daylight bombing. Faker's memorandum, recalled. His monthly rate of losses had become untenable; in which turned the trick, stated that "around the clock" bombing June, July, and August, 72 of his submarines were sunk. He of Germany would destroy German capability to wage war. It attempted an investigation into his cipher system but reached was a foolish and naive

statement, but Arnold and Eaker and the wrong conclusion; headstrong, he was determined it was all their commanding general Spaatz got their way.

the fault of traitors. Instead, it was rather the Allied capacity American air generals had nurtured a belief that they had in to tap his codes, along with the influx of new naval and air use the best bombsight in the world, Norden, which the Ger-equipment, that had turned the Battle of the Atlantic against mans didn't have, and aircraft that, when flying in tight forma-106

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tion at high altitude, could hold of f German fighters while tactics. "On at least one occasion," de Guingand recalled, "the hitting a pickle barrel from 15,000 feet. It didn't work out like deception people were authorized to reveal the target of a major that. The Norden sight was good, perhaps the best in the air attack on a German city to the Germans beforehand in order European Theatre of Operations at that time. Bombardiers were to reinforce the credibility of an [XX-Committee] agent who instructed to destroy the Norden bombsights if forced to land was to be used to mislead the German high command during in enemy territory. But the Germans knew all about the Norden

'Neptune,' which was the code word for the impending invasion sight, and had adapted some of its principles to their own use.

of France." Brown's supposition is that Nuremberg was such a A Sperry engineer who was also a German agent had sent copies raid. It was a straight in-and-out raid made without deception of the Norden blueprints in 1940 to his control in Germany.

on a clear night, and every German fighter in the defensive zone He was rewarded with a vacation trip that year to Germany, and was in the air waiting. In this one night, the RAF lost 108

the first thing that greeted his eyes when he entered his splendid aircraft over Germany, 745 crewmen killed or wounded, and 159

hotel suite was an exact replica of the Norden sight, built by prisoners of war

taken; while on the return to airbases in England German engineers from his blueprints.

land 53 bombers crashed. It was a one-night disaster, and the As for holding off the Luftwaffe over Germany, this didn't airmen who clambered exhausted from their aircraft were under-fare at all well until American bomber strength was so great that standably bitter and suspicious over the planning of the mission.

they were sending aircraft in division strength with long-range It didn't take long for the U.S. Eighth Air Force to get fighter squadrons for protection. Even then, with close-forma-bloodied, as some hard-nosed amateurs observed in 1943. There tion flying and Browning machine guns from several hundred was not an American airbase in England that did not have its B-17s laying a wall of shells all over the skies to keep off the

losses following an air raid. The concrete U-boat pens at Saint-attacking Messerschmitts, the losses were enormous. In the three Nazaire and other French coastal targets were the milk runs.

months before D-Day in June 1944, when American air strength But Germany was the hornets' nest, and each bombing venture was at its peak and the Luftwaffe at its weakest, according to was one of brave men on both sides doing deadly battle, the official communiqués, the U.S. Eighth Air Force lost nearly Eighth Air Force versus the Luftwaffe. The deeper the pene-10,000 airmen, 800 heavy bombers, and over 500 long-range tration and the more strategic the target, the higher the losses—

fighters.

an automatic equation. Ira Eaker was pushing his men and In 1943 losses were proportionately greater, and they were felt bombers with the faith that it was the decisive effort that would more deeply by those who survived the great air battles of that shorten the war. He can hardly be faulted for this viewpoint, year and by those who planned them.

when both Franklin Roosevelt and Winston Churchill held the The Royal Air Force had its disasters too. British raids on same. Churchill in July 1941 had

told Roosevelt about his in-Hamburg, Cologne, and Berlin did great damage to civilians, intention of pounding Germany and Italy ceaselessly. "These but at a high cost in planes and young men. Anthony Cave measures may themselves produce an internal convulsion or Brown in his book *Bodyguard of Lies* writes of one raid on collapse." To be sure, this statement may have merely been his March 30, 1944, which took a greater toll of the RAF than the way of encouraging the president to believe a full-scale invasion entire Battle of Britain. The raid itself, according to him, was of the Continent with Allied armies would not be necessary to strange; it was designed to get the Luftwaffe to come up and defeat Hitler. In months past his battle cry to ensure Lend-fight, so that in the process their number would be whittled. Lend aid had been, "Give us the arms and we will do the rest."

down for the D-Day period of attack. He also indicated that it The only convulsion the bombing was to produce was on was a deception raid. -Brown quotes General Sir Francis de British and American bomber bases in England. In 1943 joint Guingand, Montgomery's chief of staff and the 21st Army group air losses had almost reached the unacceptable point. The German officer, who ensured that deception conformed to strategy and Germans had regeared their defenses against night-and-day air 108

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attacks. A large proportion of their armament production had mission, Bob Post's Liberator came apart in midair from the been shifted to antiaircraft guns of all caliber, their fighters combined flak from the ground and cannon fire from attacking were excellent, new radar was in use, and the entire northwest German fighters. In his plane, none survived.

region had been formed into box defense zones in which their There was a year of such missions. I didn't fly them all, just fighter planes moved by zone according to the attack; if the those that had special news interest. I would remain in London Allied raid was a deep penetration inland, the invading air between missions, interviewing people and gathering news for fleet would be passed from zone to zone by fighters that would my CBS broadcasts on "The World Today" each morning. But always have sufficient gasoline to remain in the air until the I still recall vividly today the bombing run that I made in the bombers passed through their zone to the next German fighter company

of a crew on their 25th mission; come hell or high squadrons. The bombers ran a gauntlet of fire from the ground water, they were determined to make it home, back to the and attack from the air, continuous and unrelenting, both to States.

and from a target. So severe was the strain on the crews that We lifted up, of f the airfields of East Anglia, in the early an airman who survived 25 missions in 1943 was free to return morning, 200 B-17s climbing and gathering into close formation to the United States.

over the North Sea. At 12,000 feet the crew clipped on oxygen Early in 1943 a small group of American war correspondents masks, fired test bursts from their Brownings, and then headed volunteered to be trained for flying with the B-17s in their misfor Germany and the target, which on that day was the harbor sions over Germany. This was intended by the U.S. Eighth Air of Gdynia, Poland. Here the Gneisenau and the Stuttgart, two Force to communicate to Americans back in the States the German battleships, 17 U-boats, destroyers, and several smaller eyewitness story of these air battles and the bravery of their vessels were at anchor. It was to be a 2,000-mile round-trip flight, sons. I was one of these trainees, representing CBS News. There right across Germany, and as we crossed the coastline at day-were also Walter Cronkite, then of United Press, Gladwin Hill break the German fighters began picking us up. It was a running of Associated Press and later of the New York Times, Robert battle all the way to Gdynia, then "Bombs away," and the Post of the New York Times, Homer Bigart of the New York swing around for a return. Some of the B-17s limped on to Herald Tribune, William Wade of International News Service, Switzerland with engine malfunctions; others crossed the Baltic Sergeant Scott Denton of Yank, and Sergeant Andy Rooney of for safe haven in Sweden. At 20,000 feet over Poland the sea Stars and Stripes. As a jocular takeof f of World War I's "Fight-seemed a toy pond, and Sweden beckoned invitingly. Leningrad ing 69th," we were referred to as "the Writing 69th" by Colonel was but 400 miles to the east, but the pilot had home on his Jock Whitney, a peacetime publisher and financier, and Colonel mind- The formation closed for the self-protection of crossfire Mac Kriendler of 21 Club fame, who were among those of the and we headed for England. Here is a quote from the story I Eighth Air Force who had sold the concept to General Ira wrote on my

return, which I broadcast over CBS:

Eaker. We were sent to gunnery school in England, where we Across western Germany you could feel the big ship wobbling badly.

learned to identify all German fighter planes and to strip down It had taken too much flak, too much cannon fire. The holes in the and reassemble within 40 seconds the Browning machine guns fuselage ripped larger. We couldn't keep up with the other planes used in the B-17s and Liberators. This was essential knowledge, and our pilot dropped lower with each mile until we were hedge-for seconds saved in fixing the stoppage in a malfunctioning hopping 30 feet off the ground, which kept the fighters from coming machine gun could be the difference between life and death.

up from underneath. We passed so low over a German gun emplace-We were not flying as excess baggage but as gunners first, war ment in Holland I could see the sweat on the backs of the German reporters second. Over Wilhelmshaven, on our first mission, I gunners on this sunny day, trying to bring us down. Bill laid one shot down a Messerschmitt fighter that had come right at us burst right down the middle of a pathway leading to a pillbox. His from the front where I was acting nose-gunner. On the same shells tore a gunner apart.

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We prayed that the gas would hold out. Suddenly it became of the people by destruction of their cities. But the German necessary to lighten the load as we began crossing the North Sea.

people, once fully mobilized following shock from the loss of The fighters had turned away and then we were skimming low over their army at Stalingrad and the later destruction to Hamburg, the water. Everything moveable went overboard: machine guns, Cologne, and Berlin, were able to maintain production capacity radio, empty shell cases, oxygen tanks. We made it. The captain pulled the shattered craft up over English cliff land and skidded the against air onslaughts for a remarkable length of time. The length of an RAF

runway to a halt. All of us were still for maybe nation excelled in improvising, which should set at rest the four minutes, exhausted and drained. Bill the bombardier sank down British-American myth of World War I that Germans cannot to the floor of the plane with his head between his arms. The navi-improvise successfully (like Hollywood's myth of 1940 that gator fumbled abstractedly with his maps, folding and refolding Japanese pilots couldn't fly as well as American pilots because them. I just sat, thinking, I'm alive. Five of the crewmen would they had slanty eyes). The Germans extemporized in the face never again have that or any other feeling. They had died on the of enormous dif ficulties; the ability to surmount shortages of way back, one with his head shot of f. Fourteen hours of hell in critical war items and the quick repair of bomb damage to the air.

maintain production levels were strong points of German industry.

There were to be other missions in which bravery and heroism In this same month, German test pilots were flying new jet and fear all seemed to blend into a pattern. Lieutenant General fighter prototypes having double the speed of existing fighters Carl A. Spaatz, who succeeded Ira Eaker as commander of the and great maneuverability. In quantity, they would have deci-Eighth Air Force, was prompted to say after the raid on the mated the slow-flying bombers of the RAF and the U.S. Eighth ballbearing factory at Schweinfurt, in which 60 U.S. bombers Air Force. Their V-2 rockets, weighing 13 metric tons, were were shot down and another 17 seriously damaged, "We don't hitting London at 1,500 miles an hour, using only regular bomb deserve such men. They know how bad it is but, aside from a explosives in their nose cones. An atomic warhead was all that few, they're ready to go again. We just don't deserve them."

was needed to change the face of war in Europe, and German Perhaps these air contests over Germany in 1943 and 1944

scientists were straining to produce just that. Germany pos-were worth the expenditure in men and machines. But the sessed other new weapons, but not in volume production, in the conclusion of the U.S. Strategic Bombing Survey after the war, summer of 1944. Albert Speer, minister of armaments and when they assessed the bomb damage done to Germany, was war production, told of these:

that “prior to mid-1943, neither the British nor the U.S. attacks had a significant effect on military output as a whole; that in the We possessed a remote-controlled flying bomb, a rocket plane that second half of 1943 and the first half of 1944 they caused losses was even faster than the jet plane, a rocket missile that homed in of some five and ten per cent respectively.”

on an enemy plane by tracking the heat rays from its motors, and a torpedo that reacted to sound and could thus pursue and hit a By June of 1944, the British and American air forces were ship fleeing in a zigzag course. The designer Lippisch had jet planes dumping 3,000 tons of bombs a day on Germany. Yet German on the drawing board that were far in advance of anything so far military production kept pace with army requirements because known, based as they were on the all-wing principle. We were liter- the bombs were usually aimed at big cities, rather than at precise ally suffering from an excess of projects in development.

factory targets, which were relatively small and hard to hit. Even air defense armaments and production (fighter planes, antiair-Hitler strove to buy time on the battlefields so that he could craft guns) nearly tripled in the first half of 1944. Winston place at least a few of these new weapons into battle.

Churchill had abandoned the idea of halting German factory Martin Bormann, on a different tack, was having meetings output through bombing; instead, he hoped to break the will with Hermann Schmitz, president of I.G. Farben, regarding the 112

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movement of German capital out of the Third Reich. Schmitz Martin Bormann an economic empire of unparalleled magni-was just the right man with whom to hold such discussions.

tude in which he could operate when it came time to shift Ger-Earlier in the war, he had reported to Bormann: “Our measures man assets elsewhere. The predictable defeat of Germany would for camouflage have proved to be very good during the war, and give pause to this international economic relationship, but it have even surpassed our expectations in numerous cases.” He would be quickly renewed during the early cold war years and

was talking about the concealment of the true ownership of their intense friction with Russia. This latter caused General Farben assets as a war and postwar device.

Patton to say, "America had been fighting the wrong enemy—

Bormann was well versed in the usual fiscal stunts practiced Germany instead of Russia." For this intemperance, General by banks and big corporations. But his association with Her-Eisenhower relieved him of command of the U.S. Third Army.

mann Schmitz, the "master of financial camouflage," was tanta-It was not long after that Eisenhower was telling Konrad Ade-mount to matriculating in a confidential postgraduate course in nauer that he didn't object to reappointment of deposed Nazis highest level corporate and money manipulation. For this rea-if they were the best men for positions in the new German gov-son, Schmitz was also given the title of "secret councilor"

ernment. Likewise, another American general (Lieutenant (Geheimrat) to the NSDAP and Martin Bormann. He sharp-General Lucian K. Truscott, Jr.) commented that he would ened Bormann's already sharp skills, which were soon to be like to see soldiers in a new German army like those who had utilized for the German postwar commercial campaign that the fought him at Anzio.

Reichsleiter visualized.

But Swiss banks and the use of Swiss fiscal agents were spe-Bormann was comfortable in his relationship with Schmitz cifically on the agenda of the June 1944 meeting. Schmitz laid and I.G. Farben. All Farben company leaders overseas (I.G.

it all out for Bormann when he explained how he had disbursed Verbindungsmaner) were NSDAP members. This made Reichs-I.G. Farben.

leiter Bormann, as head of the party chancellery, their political There was an age discrepancy between the two men. In 1914, chief. In addition, because German economic specialists had when Bormann was entering Science High

School in Halber-stadt, Schmitz was an executive of Metallgesellschaft A.G. in each under control, Bormann had a further base of business Frankfurt, at the beginning of an amazing career. A fellow relationships outside Germany totaling several hundred thou-executive was a Swiss, Eduard Greutert of Basel. Six years later sand: businessmen who felt snug working with German eco-Greutert returned to Basel to open a private bank, Greutert & nomic leadership because it was always profitable. Under party Cie. The funding capital was provided entirely by Metallgesell-rules, the chain of command ran from Bormann to the minister schaft A.G., and it was Schmitz's idea. It was the start of a great of economics to those who administered the Four-Year Plan flow of German assets to Switzerland in 1920-21 by industrial of German economic supremacy to those businessmen of oc-leaders who distrusted their government, which could contain cupied territories and neutral nations who took their directives neither inflation nor communists. Hermann Schmitz also had and profits from Berlin. This economic web stretched across the idea that a corporate base in Switzerland would be desirable France, Belgium, Holland, Norway, Yugoslavia, Austria, Poland, to offset the bad German image after World War I. Germany Spain, Sweden, Switzerland, Turkey, Portugal, Finland, Bul-went on suf fering in a prolonged way from deprecating half garia, and Romania, and reached out to such South American truths and outright falsehoods spread throughout the world by countries as Argentina, among others, that preferred an associa-Lord Beaverbrook, British minister of propaganda. It was not tion with Germany to one with Britain and the United States.

until World War I's end that America awakened to the fact, I.G. Farben by itself was represented in 93 countries. This for example, that photographs of Belgian nuns "being butch-industrial multinational, added to other German corporations ered by Huns" were in fact still photos prepared by British and the businesses and businessmen of all these countries, gave propaganda experts. The sinking of the Lusitania by the German 114

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submarine U-20, a major factor in bringing America into World and his bank to set up a dozen corporations and 65 accounts, all War I, had been but

another British ploy. Winston Churchill, interrelated. The accounts were in many different names; some then first lord of the Admiralty, stated that the great Cunard were paper corporations, some corporate groups or syndicates liner had been a regular passenger vessel carrying an innocuous or subsidiaries. The directors of all were Farben officers and

cargo, and that the German attack on her amounted to an un-Greutert bank of officers. In the early 1920s Schmitz bought out provoked act of war against citizens of a neutral nation, the Metallgesellschaft A.G.'s interest in Greutert & Cie., and it United States. Along with 1,198 others, 124 Americans perished became his own bank. Schmitz was now head of the large German in this sinking. But Churchill's statement and the official version dyestuff firm of Badische Anilin, and he began moving his new of the disaster were later disproved. The ship had traveled un-firm's excess capital into his Swiss bank. In 1925 Herman escorted, when British Admiralty advisors to Churchill urged Schmitz assembled a merger of the six largest German chemical destroyer escorts. There remains the strong suspicion that the and dye companies: Bayer, Griesheim-Elektron, Weiler-ter-Meet, ship was deliberately sacrificed by British government leadership Agfa, Badische Anilin, and Hoechst. The new conglomerate was as a means of drawing the United States into the war on the named Internationale Gesellschaft Farbenindustrie A.G., or, side of England, bled white on the battlefields of Flanders, and more conveniently, I.G. Farben. It went right on merging with quite understandably taking any measures to survive and be and buying out other firms. Schmitz was an early supporter of victorious.

Adolf Hitler and his NSDAP party, and eventually became a In 1972 Colin Simpson, the British author, in his book Lusi-Reichstag deputy and secret counselor to Bormann and the tania, provided fresh evidence that the suspicions going back party.

to World War I were valid; that the

Lusitania, with fore-

Martin Bormann had married and become an indispensable knowledge by the Admiralty of U-20's position, had been member of the party leadership. More and more, Hitler turned allowed to steam alone into the path of the

submarine off the coast to him for assistance and support, and for financial guidance off the Irish coast; and rather than carrying a harmless cargo the his personal affairs and those of the party. It was natural that passenger liner was in fact heavily armed, with her manifests the paths of Schmitz and Bormann would cross, each reconfigured to hide the large load of munitions, which would make mining in the other similar aptitudes.

her a legitimate target of war. Winston Churchill expounded In Basel, Schmitz's bank, protected by the Swiss regulations his philosophy of how to win a war in his autobiographical of privacy, concealed Farben ownership and interests in these account of World War I, The World Crisis: "At the summit global firms: I.G. Farben (French chemical sales), I.G. Farben-Chemie true politics and strategy are one. The maneuver which brings I.G. Farben (Dutch, with interests in England, Belgium, and an ally into the field is as serviceable as that which wins a Sweden), Romania and Bulgaria (Hungarian), Greece, great battle."

I.G. Farben (Dutch), Norsk Hydro (Norwegian), I.G. Farben Chemical But the image of German ferocity lingered in peacetime, (English), Union Quimica del Norte de España, S.A. (Spain-contributing to the savage terms of the Treaty of Versailles, etc.), the Bayer Company, General Aniline Works, Winthrop signed by Germany under duress, which paved the way for the Chemical Company, and Agfa-Ansco (all of the United States).

rise of Adolf Hitler. For these and other reasons, Hermann Goerlitz concealed firms included many in Latin America. All Schmitz and Ruhr industrialists generally agreed that in the these major multinationals owed their existence and ongoing best interests of German economic revival a corporate move prosperity to exclusive use of I.G. Farben patents and licenses into Switzerland would be good business. Schmitz also held in the production of chemical and related goods.

to the old German proverb: "Money won't bring happiness Schmitz organized all these into one giant holding company unless you have it in a Swiss bank."

by establishing a new Swiss corporation named Internationale As Schmitz explained to Bormann, he used Eduard Greuter Gesellschaft für Chemische

Chemie, for short. Its capital was so structured that voting saw fit. Once its fiscal volume reached a good level because of power always remained with Farben board members and elected its association with I.G. Farben and I.G. Chemie, the entire officers of Greutert & Cie., the name of which was changed upon bank turned into a money-making machine. This gave it an unthe death of Greutert to that of his successor, Hans Sturzeneg-limited power to reach out into other multinationals and even ger & Cie. Business went on, with Schmitz calling the shots. In into governments. It performed the functions that Schmitz re-Switzerland, he used this private bank, in Germany the Deutsche quired of it: operated cash arbitrage, safeguarded secret slush-Bank. But he considered it useful to have a special Berlin bank fund accounts, handled payof fs to generals and admirals and relationship for I.G. Chemie, and had the firm buy 60 percent politicians of occupied countries and neutral nations, paid some control of Deutsche Laenderbank.

of the salaries of overseas spies of the Third Reich, supervised Bormann was fascinated by the complexities of the I.G. Far-I.G.'s corporate marketing cartels, underwrote speculative securi-ben strategies. At the June 1944 conference he got a briefing of ties, administered issues, sequestered gold reserves, managed the Swiss banking system. Bormann did not confide fully to patents and franchises placed in their safekeeping by Schmitz, Schmitz at this time about his precise intention to shift German provided Swiss-franc accounts for multicurrency payrolls, hoarded liquid assets to neutral nations, but the canny I.G. president the personal holdings of key executives, transferred and hid sensed something was in the wind. After all, the Reichsleiter certain deposits, expedited currency exchange at the most favor-was custodian of vast sums, the Reich chancellery fund of the able rate of the hour or day, and executed forward contracts in party and other moveable assets; also, he needed the services cash and commodities-all for a profit. With Schmitz and his of I.G. Farben as well as the skills of its president. Schmitz corporations in its corner. H. Sturzenegger & Cie. was also able would be informed in full when the time came.

to enter the realm of biggest profit potential: it placed five bank Hermann Schmitz explained to Martin Bormann that Swiss officers on the board of I.G. Chemie. To know the plans of such banking was quite special. Under a Swiss law passed in 1934 to a corporate apparatus is to gain superprofits, the dream of bank-keep Gestapo agents from locating the savings of German Jews, ers everywhere, whether in Basel, Zurich, London, or New York.

it is illegal for a Swiss bank to divulge information about any Swiss banking is like banking anywhere, although carried out numbered account. "This also worked to our advantage,"

with greater confidentiality. Money has neither nationality nor Schmitz told Bormann. "It insured our secrecy and kept the morality. As one Swiss banker remarked, "I am not a priest or door closed to Allied fiscal investigators about our corporate my brother's keeper; I accept deposits and I lend and handle holdings, manipulations, and movement of funds." He added money for a fee. World politics plays no part in who shall be that while there are 500 banks in Switzerland there are only granted deposit privileges in Swiss banks," he continued. "Pol-eight basic categories of banks. The Big Three consists of the itics change like governments but our banking strength lies in Credit Suisse Bank, the Union Bank of Switzerland, and the secrecy which must be absolute." The importance of money to Swiss Bank Corporation; while the small big two are the Peo-the Swiss is reflected in aristocracy and leadership. Family aris-ple's Bank of Switzerland (Swiss Volksbank) and the Bank Leu tocracy is based only on wealth. Lose your wealth, and you are

& Co., Ltd. But for the international requirements of such a one no longer aristocracy.

as Hermann Schmitz, the private bank, in the seventh cate-Switzerland developed as a great banking and money power gory, is the bank of greatest usefulness. It issues no balance over the last hundred years. By 1939 and the outbreak of war sheets and plays but a minor role in Swiss finance, but it is im-elsewhere in Europe the country had become one vast super-portant to world finance and has stature and power way beyond cartel, the registered home of 2,278 international corporations.

its size. H. Sturzenegger & Cie., the renamed Greutert & Cie., There was a

total of 214 banks with strictly international business was such an institution.

ness, 38 insurance firms controlled from outside the country, Like its peers, it had an unrestrained freedom to invest as it and 2,026 holding companies, trusts, and personal corporations 118

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whose majority stockholders were not Swiss. The locals were who used Swiss banks to place his enormous liquid fortune the professional day-by-day managers, whose guiding principle beyond the reach of the Allies. So did the industrial and financial was to return a profit to shareholders in Britain, France, German leaders of Japan, who also knew how to move their wealth many, Holland, Belgium, Luxembourg, and the United States, around the world.

among other countries. Insurance companies registered in Switzerland were generally British capitalized, but the shareholders The Japanese imperial household was no small bureaucracy.

were a spectrum of belligerent nationalities involved in World War II. It represented 3,000 civil servants who ministered to the needs.

of the imperial family and handled the complexities of the many By 1981 almost every major American corporation was to have companies of the imperial family-zaibatsu holding corporations a Swiss operation; 4,000 U.S. business organizations would follow that it controlled. With his immense land holdings and the low the lead of Hermann Schmitz of the twenties, thirties, and profits from his many investments, Emperor Hirohito was by forties, and become solid customers of Swiss banks in the sixties, far the wealthiest individual in Japan. Within the structure was seventies, and eighties. Such accounts, however, should not be the lord keeper of the privy seal, the emperor's most important lumped in with the Meyer Lansky type of operation, in which advisor, the only one who could offer unsolicited comments.

a crime syndicate would deposit gangster-gained money into the From 1940 to the end of the war the lord keeper of the privy bank he had organized, along with John Pullman, his former seal was Marquis Koichi Kido, who

performed just as ably for bag man in the United States, as president of the International Hirohito as Martin Bormann did for Hitler.

Credit Bank of Switzerland. This enterprise fell into the Swiss Kido learned, in 1944, through the Japanese ambassador in banking category "Other," meaning that it was actually owned Berlin, General Hiroshi Baron Oshima, that Reichsleiter Martin by foreigners, and that unscrupulously earned money, Las Vegas Bormann had given orders to German industry to begin trans-and syndicate, would be laundered and returned via Nassau, for ferring moveable wealth from the Third Reich to neutral nations example, to the United States. The major U.S. corporations of the world. Bormann, so Oshima said, was also moving party were drawn to Switzerland because they were increasingly funds to Switzerland and Buenos Aires. It was a signal loud and involved in commercial ventures in every corner of the world, clear that Germany had lost the war and was making prepara-and Switzerland was a money center of the utmost convenience tions for a future point in time when liquid assets and economic and dependability. They could also make even more money by power bastions outside the Third Reich would come to the engaging in currency speculation, besides having freedom of in-assistance of a new Germany. And when Emperor Hirohito vestment. It was nineteenth-century capitalism in the twentieth received his two requested reports on the future of the war in century. The comparatively heavily regulated New York money-the Pacific from his army and navy chiefs of staf f, he, too, concenter banks were able to obtain their footholds in Swiss bank-curred that their war could not be won. He asked Kido to pre-ing in one way or another, and by 1980 they were earning over 70

pare a peace plan for the Japanese nation; and Kido began work percent of their profits from overseas deals.

on it in January 1944. The lord privy seal envisioned the first So in June 1944, Martin Bormann was taken to the mountain-step in any peace plan as one that would preserve the imperial top by Hermann Schmitz, the master. Bormann, a quick study throne and its imperial wealth.

and with a steel-trap mind, was preoccupied in the ensuing days.

Kido held meetings with key bankers and the transfers of Hermann Schmitz,

who had eleven I.G. Farben companies imperial money to Swiss accounts was effected smoothly via in Japan, as well as the intelligence organization of Max Ilgner's bank telegraph credit, inasmuch as major Japanese banks had N.W.7, the I.G. Verbindungsmanner who were the liaison of fi-their own correspondent banking relationships with the impor-cers between Farben in Japan and the home of fice in Germany, tant fiscal institutions of Switzerland. Emperor Hirohito and let him in on some of the fiscal secrets of Emperor Hirohito, his imperial household zaibatsu had stock ownership and de-120

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posits in fourteen of the major Japanese banks, all of which credit in the Swiss receiver bank. By the end of the war the cherished the honor of acting as an imperial depository. The deposits on hand were astronomical, and during the postwar fourteen banks gave all assistance necessary, of course, to the rehabilitation of Japan, the imperial fortune kept increasing Kido transfer plan.

from the interest charges for loans to various zaibatsu companies However, as Hermann Schmitz pointed out to Reichsleiter who were struggling-as were German firms—for a comeback in Bormann during their 1944 meeting on Third Reich fiscal world markets.

strategy, the most important bank to the imperial family was As a result of these tranfers, American SCAP * fiscal investi-the Yokohama Specie Bank. The family owned a 25 percent gators found the imperial vaults pretty nearly bare when they controlling interest, and therefore it was the major instrument went poking through the recorded assets in the imperial palace used in the movement of large currency credits and other liquid following Japanese surrender aboard the U.S.S.

Missouri on

assets to Switzerland, where Yokohama Specie Bank had a branch September 2, 1945. They found jewelry, gold, silver, coins and correspondent relations with Swiss and German banks. The totaling 3,010,066 yen, and as the yen at that time was worth importance of Yokohama Specie to the German Central

Bank about 360 to the U.S. dollar, it was a token \$2 million.

and the economic conduct of the war, which also generated While the emperor was having his liquid assets banked out further income from the bank's major shareholder, was con-of Japan, the other zaibatsu leadership groups placed on deposit tained in a code intercept by "Magic," the U.S. code breaker these sums in the following countries: Switzerland, \$19 million; structure, in a message from the Japanese ambassador in Berlin Sweden, \$1.6 million; Portugal, \$999,000; Spain, \$22,000; Af-to Tokyo on March 19, 1942:

ghanistan, \$118,000; Turkey, \$107,500. But these sums were currencies and trifling alongside the billions in gold that flowed Pending consummation of the German-Japanese economic talks in from Japan in the last year of the war. The Joint Chiefs of Tokyo and their satisfactory conclusion by March 31, Germany will Staff in Washington and Ambassador Edwin W. Pauley, who place 10,000,000 marks to Japan's credit in payment for war materials reported to President Truman on reparations, recommended delivered to that date. The technical details concerning use of the that the bulk of Japan's gold be deposited in the U.S. Mint in fund and repayment will be handled by the German Reichsbank San Francisco. Pauley said the value would not exceed \$200

and the Yokohama Specie Bank.

million. But his advisors were basing this estimate on Japanese smelter records and gold production figures from 1940 to 1945

In his transfer plan of 1944, Lord Privy Seal Kido was con-at the Kamioka mine and other smaller mines on the west coast fronted with the problem of physically moving the emperor's of Honshu, which showed a declining gold production of only gold kilo bars from the Imperial Palace to some safe haven 1,173 fine ounces; and inasmuch as many banking records in where their value would be credited to the imperial account in Tokyo covering gold deposits had been previously removed Switzerland. In 1944, when Japanese fighter planes still con-from the files or burned, most often blamed on the firebombing trolled the air space of northern Asia, this proved a soluble of Tokyo, no true figure could be arrived at by SCAP.

problem. The major Swiss banks, such as Swiss Bank Corporation-However, what SCAP and Ambassador Pauley did not take into account, have five key areas throughout the world where gold and into consideration was the loot of Asia, and by 1944 Japan had silver bars can be deposited in Swiss controlled vaults, with a taken 25 tons of gold from the vaults and mines of various credit then telegraphed to the relevant bank in Switzerland.

Asiatic countries it had overrun. Like the Third Reich, the These key localities are known in the Swiss banking business Japanese pattern of conquest and pillage prevailed. As armies as "Loco," so once Kido had dispatched a Japanese imperial courier plane with fighter escort to Hong Kong and Macao and other sites with imperial kilo bars they quickly became a deposit

*Supreme Commander, Allied Powers.

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marched, fought, and conquered, they were followed by the Nanking to the bombing of Pearl Harbor, with the emperor an ubiquitous bankers and business specialists who assumed eco-interested participant in all major strategic decisions. From economic control of the lands and people and assets they coveted.

February 1944 to the fall of the Tojo cabinet, all cabinet meetings-They seized gold and formed companies to mine for minerals, meetings were held in the Imperial Palace to impress the public with oil, coal, and all other substances necessary to a resource-poor the seriousness of the situation as well as to give imperial sanction-country like Japan. As it established companies in Manchuria, transition to emergency measures. At one cabinet meeting, Kido had China, Taiwan, Korea, Hong Kong, Singapore, the Philippines, remarked, "If the Tojo cabinet continues in power it will surely French Indo-China, Burma, and the Dutch East Indies it did mean revolution within the country, and domestic disruption so beneath the imperial banner and patriotic slogans: "The will destroy Japan." To the lord privy seal it also meant that Emperor is divine, and the Japanese people are superior to other the

imperial household and the emperor would be destroyed.

“races and are fated to rule the world.” But behind the slogans Kido moved to cosmeticize the role of the emperor in the war, was a hard-headed commercialism dedicated to profits for the stressing always that he had only been a benevolent figurehead.

zaibatsus, which included the imperial household zaibatsu, fun-Kido knew the people would have to be prepared for sur-neled through stock ownership in the scores of corporations render. The fighting men had staked their honor on victory or established in banking and industry of each conquered country.

suicide, and vast numbers had died in the emperor's name. If Like so many other moveable assets, the 25 tons of gold peace was premature, many would say that Hirohito lacked the bullion disappeared in 1944, and this is a secret known only to courage to fight the war through to the end. Widows and or-a cadre of top leadership among the zaibatsu. Still, when Gen-phans would blame the emperor for causing their fathers and eral MacArthur finally implanted a new constitution on Japan husbands to die in vain. The emperor and Kido knew that the and approved a new government in 1947, this leadership in-people had reached the point where they were eager to see an formed the supreme commander that \$2 billion in gold had end to war. When the time arrived that they thought it was been flown back from bank vaults in Korea in August 1945, and they who had fought poorly and let the emperor down, then and sunk in sealed containers in Tokyo harbor. It requested in 1947

only then, if Hirohito declared for peace, would the people feel that this treasure be retrieved and placed in the national treasury obligated to him.

to secure the new currency. General MacArthur readily agreed, As the lord privy seal focused on his imperial peace plans, the but it was the first 25 tons of gold that formed an economic emperor studied the charts in his War Room. It is a myth that bedrock which helped Japan rise from the ashes. Toil and sacri-the emperor stood above shot and shell; from 1937 to the war's fice and American aid were all part of the contributing picture, end, he had been closely involved in the conduct of Japanese but as Martin Bormann remarked about the advisability of expansion into China and to the south and

west. He had ap-placing German assets beyond the reach of the Allies, “the pointed Tojo as prime minister for his warlike qualities, and Fatherland will need this to rise again.”

when he spoke with Admiral Yamamoto before the attack on In 1944 while the lord privy seal was making his peace plans, the United States he had asked the admiral’s opinion as to how Emperor Hirohito waited for the ultimate excuse for withdrawal the war would go. Admiral Yamamoto had said, “I will run from the war. Kido had recommended the removal of Prime wild for the first eighteen months of the war and after that it Minister Tojo from of fice in 1944. Tojo had originally been will be all downhill. But I will do my duty for the emperor.”

placed in office on the recommendation of Kido, but now he was Hirohito had nodded, replying, “By then Hitler will have won to take the blame for the defeat and for the atrocities that his war in Europe and the United States will make an accom-Japanese forces had committed when it was foreseen that the modation with Japan which will give us much of the territory war was lost. Actually, the war had been planned in the War we have gained.” The emperor must have recalled this conver-Room of the Imperial Palace, from the attack and rape of sation when he was informed of Admiral Yamamoto’s death at 124

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Bougainville in 1943. The admiral was on an inspection trip, atomic bombs fell, it took only days for Emperor Hirohito to and his plane was shot down after his flight schedule in code agree to surrender terms on the Potsdam Declaration.

had been intercepted by the code breakers of “Magic.”

At this point in time, as in Berlin, the preparations for post-The research and analysis branch of the OSS had prepared a war commercial survival for two defeated nations had been secret report in September 1944 for the U.S. Joint Chiefs of completed, and now only the final scenario had to be played Staff. It told in some detail of the involvement of the Japanese out. For Bormann, the blueprint was clear and he was to follow emperor with the war:

it with precision. For the emperor and Kido, General MacArthur was to be a worthy protagonist. In the end, the emperor and the At the inception of the present war, the Emperor issued the con-supreme commander came to admire each other, and it was ventional Imperial Rescript declaring war in his name, and continued MacArthur who in the end dissuaded the War Crimes Com-to follow his usual pattern of keeping out of politics. However, as it mission in London from trying Emperor Hirohito as a war became evident that victory would not be easily won, the ruling criminal. He said:

group found it necessary to use the Emperor's name as an incentive

“His indictment will unquestionably cause a tremendous conto greater effort.

With the Allied advance in the Pacific, the Emperor was called vulsion among the Japanese people, the repercussions of which on to furnish even stronger incentives to the Japanese people, and cannot be overestimated. He is a symbol which unites all Japa-he thus became more entangled in the activities of the dominant nese. Destroy him and the nation will disintegrate. They will military group. In November and December, 1943, the Emperor regard Allied action as a betrayal in their history and the hatreds issued two Imperial Rescripts honoring the Navy for completely and resentments engendered by this thought will unquestionably fictitious “victories” of f the Solomon and Gilbert Islands—an last for all measurable time. A vendetta for revenge will thereby unprecedented mortgaging of the Imperial dignity for the purpose be initiated whose cycle may well not be complete for centuries, of restoring faith in the naval conduct of the war.

if ever.

“I believe all hope of introducing modem democratic methods While the emperor waited for an excuse for withdrawal from would disappear. It is quite possible that a minimum of a the war, he approved the many defensive measures being under-million troops would be required which would have to be taken to repel the invaders. Like Hitler, he toyed with the maintained for an indefinite number of years.”

thought of leaving the nation's capital. So some 75,000 men There was more to the MacArthur opinion, but the thought toiled beneath the peaks and

valleys of the Nagano Alps build-of a million Allied troops with a vast bureaucratic force chilled in tunnels in which Hirohito could preside over the final de-the War Crimes Commission. As a consequence, it was decided fense of Japan. But, like Adolf Hitler, the emperor had no to settle for a war crimes trial at a lesser level. Lord Privy Seal intention of leaving Tokyo. His propaganda minister, like Dr.

Kido was tried as a war criminal, along with 36 others, and Goebbels in Berlin, fostered the notion of battle to the last, but sentenced to life imprisonment.

it was smoke of sorts, contrived to make more steadfast the At the time of this trial, Kido's counterpart in Germany, flagging will of the people.

Martin Bormann, was to make his plans for personal survival, On August 7, 1945, the emperor was presented with his rea-and they did not include prison and death at Nuremberg.

son to initiate peace. He received the Japanese army report of The zaibatsu was to be outlawed during the occupation of the atomic destruction of Hiroshima. Two days later, on August Japan by General MacArthur as a way of breaking the strangle-9, a second A-bomb was dropped on Nagasaki.

hold held by the few on the economy of this nation. But once Although the emperor and Lord Privy Seal Kido had been the occupation ended and Japan again became master of her thinking about surrender for nineteen months before the two own destiny, the family-controlled holding companies were to
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make their comeback bigger and stronger than ever before, under the name "Keiretsu," which also means "group." Today the six big Keirestsus control the economy; in fact, they are the economy. The six largest groups control 40 percent of the nation's corporate capital, and 30 percent of its corporate assets.

The trading companies of these six Keiretsu hold stock in more than 5,400

companies in Japan, and the Keiretsu banks own even more. The Mitsubishi and Mitsui families were zaibatsu before their holding companies were broken up by MacArthur, but today they are comfortable Keiretsu. It was never General 5

MacArthur's purpose to strip clean the imperial family, but to breathe some fresh, contemporary air into an archaic economy by removing strictures that had generated a war machine based on absolute strength, the basis of Japan's military might before and during World War II.

Hirohito was to turn over to the people of Japan his forestlands, museums, artistic treasures, and heirlooms. However, the wealth that had been transferred on his behalf as well as on behalf of the other zaibatsu families was never touched and represented bastions of economic strength, as did the wealth that was established by Martin Bormann on behalf of the Third Reich.

As was proven in time, the wealth and the corporations controlled by the Bormann organization, on the one hand (in the Federal Republic of Germany, 1 percent of the corporate leadership controls 40 percent of the industry and finance), and by the zaibatsu/Keiretsu, along with the holdings of the imperial family, were the basic instruments that guided both defeated nations back to economic power.

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DURING THE BATTLE FOR THE ARDENNES IN

December of 1944, Hitler's headquarters on the Western Front was hidden underground in a woods one mile northwest of Ziegenberg. It was realized there that the failure of this offensive meant the war was ended. All to follow was charade, merely a resistance that would continue to take Allied and German lives until May 1945. At the height of the Battle of the Bulge, champagne was served in the Western Headquarters bunker on Christmas day, and a euphoric Hitler spoke optimistically of 1945.

One man not at all euphoric was Martin Bormann, deep in his circumspect designs to enable Germany to emerge from certain military defeat to commercial victory in the postwar world. On this Christmas day, the

Reichsleiter sipped champagne with the others of the headquarters staff and agreed with Hitler that 1945 would be a very interesting year indeed. He then stepped back into his office, to the papers spread out on his desk, some of which were reports received as to the progress of his flight capital program, which had been launched immediately following the meeting of German industrialists in Strasbourg on August 10.

On one report he noted that the plan to increase the registration of German patents in neutral nations had proceeded satisfactorily. In Sweden, for instance, patent registration in 1931

1938 had been 1,618, but after the Strasbourg meeting in 1944

Swedish companies owned or controlled by German shipping the patent registration had risen to 3,377. The ownership of interests accepted vessels built by the Swedish firms and kept patents represents a blockhouse of power in any commercial them in Swedish waters until after the war. A further example contest, and the most important German industrial corporations of masked investment was the money paid into the Swedish were doing their best to maintain their ownership of vital proc-shipping firm of Rederi A/B Skeppsbron, which received a esses. The firms represented on the memorandum were I.G.

German-guaranteed loan of \$3 million made from German Farben, Zeiss-Ikon, Bosch, Daimler-Benz, A.E.G., and Siemens.

supplies of free Swedish kroner in which the vessels were mort-There was a similar increase in patents by these and other Ger-gaged to the lender. Although the Swedish company remained man firms in Switzerland and Portugal.

officially the owner of the vessels, the German Hamburg-Bormann had another report, on the continuing creation of Amerika line was the real owner.

assets in the neutral nations. German trade with and payments Martin Bormann also knew that the vast funds sent outside to these were carried on mainly through clearing agreements. In the Third Reich under his new Nazi

state policy were rapidly Spain, Sweden, and Turkey a two-price system was now being concealed in safe havens. In Sweden, the technique was to use used for German goods. The lower price was paid through the Swedish cloaks or German-controlled local nationals to increase clearings (the total of banking claims presented daily in settle-the recapitalization of Swedish firms. This produced a further ment of accounts at a clearing house) while the higher price stock buy-in by German interests. A big penetration was made was retained on the books of the neutral importer. The differ-into commercial and mercantile enterprises, where nearly two once accumulated was paid to the account of the German hundred Swedish firms were now operating on capital wholly importer-exporter, becoming flight capital on deposit. To give or in part supplied by Germans or German firms.

some idea of the size of such deposits: within months of the In 1944 there was intense pressure on Sweden by American inauguration of the two-price system, Swedish firms owed about and British government representatives to halt the export of \$18 million in kroner and Turkish firms \$12 million in Turkish iron ore, special steels, and machine tools to Germany. The lira. As goods shipments increased the sums on deposit in neu-Allies also wanted to deny the Germans Swedish ball bearings, tral banks accelerated, then the excess capital was invested in a prime element in all machinery of war used by the Wehr-local real estate and industry.

macht and Luftwaffe. They also wanted German military traffic Balance sheets showed Bormann that eleven mines in central through Sweden to Norway stopped. An interesting sidelight to Sweden were now owned by German firms and operated directly this struggle between the Allies and Germany for influence on or indirectly through Swedish companies by the large German Sweden is the peculiar role played by Marcus and Jacob Wallen-steel firms of Roehlingsche Eisen and Stahlwerke G.m.b.H., burg, members of Sweden's most important banking family.

Voeklingen, Saar; Hosche, Dortmund; Friedrich Krupp, Essen; Marcus headed a government commission which negotiated Gutehoffnungshutte, A.G., Oberhausen; and Vereinigte Stahl-trade and political agreements with Britain and the United werke, Düsseldorf. The coal now mined was shipped to Ger-States throughout the war. At the same time, his brother Jacob many,

with German firms paid in Sweden under the two-price was chief trade and economic negotiator for the Swedish gov-system .

ernment with Nazi Germany. Thus were both sides covered Members of the German steel cartel (such as Vereinigte for Swedish business, including the family's own very substantial Stahlwerke, of which Hermann Schmitz was a director, Man-economic interests. Following World War II, this family empire nesmann, Krupp, Gutehoffnungshutte, and Stahlunion) all was to achieve its most spectacular prosperity, as German in-owned related enterprises in Sweden, and the importation, han-vestments under the Martin Bormann program matured in their dling, and transportation of coal and coke became almost a Swedish safe-havens. In this way impressive wealth accrued to projection of Germany's coal industry. In shipbuilding, the the Wallenburgs as well as to other Swedish and German 132

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investment groups controlling large holdings in the many Swereal ownership. Bearer shares require no registration of identity, dish companies under German dominance in 1944. For a time, for such shares are exactly what they mean; the bearer of the however, in 1944 under the pressure of threatening to place majority shares controls the company without needing a vestige Sweden on an Allied blacklist, coupled with promises of com-of proof as to how he acquired them. Thus the Germans who pensating Allied orders, Sweden agreed to Allied demands in participated as a silent force in Bormann's postwar commercial December 1944, the very week Martin Bormann was reviewing campaign-which is sometimes referred to by aging Nazis as German investments in Sweden. He shrugged at the news clat-

“Operation Eagle's Flight” or “Aktion Adlerflug”—insured their tering over the teletype from Berlin. The agreement pleased the command over the industrial and financial institutions that were Allies but failed to dent the Bormann-sponsored hidden in-to move the new Federal Republic of Germany back into the vestment program in Sweden. The war would be over anyway forefront of world economic leadership.

in a matter of months, and business would pick up again. The In Switzerland the most substantial investments were in binding ties of marriage, finance,

and investment between Swe-chemicals and drugs, and in electric power and equipment. Ger-den and Germany were stronger than ever, and with peace man investments totaled \$300 million, of which bank deposits would come a lessening of Allied probing into German financial (cash and securities) amounted to about \$250 million, with and business manipulations, particularly when so many Swedes direct investments about \$50 million. In the German-Swiss had a personal stake in the growth and prosperity of every firm clearings, Germany's debt, as the new year of 1945 began, was owned or controlled by German interests. The Allies were 1,000 million Swiss francs (\$2 32.1 million). Swiss investments advancing everywhere on the battlefronts and in their diplomatic in Germany and prewar loans to Germany were \$445 million.

arm-twisting of neutral nations. Yet the outlook of Reichsleiter Six Swiss private banks were now used by German firms in the Bormann differed little from the pragmatic cynicism of Her-flight capital program: H. Sturzenegger & Cie., Röchling & Co., mann Röchling, the Saar steel magnate, who, when told in Johann Wehrli and Company, Bank Wadenswil, Basler Han-December 1944 that the Saarland would be overrun in days by delsbank, and Kreditanstalt. However, all major Swiss banks American forces, replied almost indifferently: "We have lost the were serving the Germans in the massive movement of funds.

Saar once before and won it back. Old as I am, I shall see it The big German banks, Deutsche, Dresdner, and Commerz-return to our possession again." And so it did.

bank, all had their regular Swiss affiliations through which they The movement of German assets into Switzerland had also worked. Deutsche had as its principal connection Credit Suisse, gone well, Bormann noted from his reports. Flight capital inand also did business with the Swiss Bank Corporation and the vestments had been accomplished principally through the estab-Banque Fédérale. Funds transferred from Berlin for a client list lishment of subsidiaries of powerful German firms. Over half approved by Bormann went into numbered accounts, and were the total German capital in Switzerland was used in setting up either held there for local investment or soon shifted to neutral holding companies representing I.G. Farben, Merck,

Siemens, nations elsewhere in Europe or overseas, to be credited to the Osram, Henkel, and others. A holding company may not trade accounts of appropriate German corporate subsidiaries, or else in any form. It may only hold stock in other companies, but to entirely new corporations awaiting these start-up monies that through this device the existing German firms, and the 750 new would enable them to go into business using German patents.

corporations established under the Bormann program, gave As these new corporations prospered, they generated more themselves absolute control over a postwar economic network of money and profits, becoming important elements in the Bor-viable, prosperous companies that stretched from the Ruhr to mann global economic scheme.

the “neutrals” of Europe and to the countries of South America; Seven hundred and fifty new corporations were established in a control that continues today and is easily maintained through the last months of the war under the direction of Reichsleiter the bearer bonds or shares issued by these corporations to cloak Bormann, using the technique perfected by Hermann Schmitz.

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A national of each country was the nominal head of each cor-diplomatic pouches of Joachim von Ribbentrop’s Foreign Min-porate structure and the board was a mix of German adminis-istry were used to transport gold, Amsterdam diamonds, bearer trators and bank officials, while the staffing at senior and middle bonds, and U.S. stocks purchased over the years in large Ameri-management levels was comprised of German scientists and can corporations. A Foreign Ministry special courier went twice technicians. In the background were the shadowy owners of the monthly to Stockholm, where the gold and diamonds he carried corporation, those Germans who possessed the bearer bonds as were sold for kroner currency and then invested in Swedish proof of stock ownership. The establishment of such companies, firms. A similar pattern was developed for South America, where usually launched in industries requiring high technical skills, deposits were made in the Buenos Aires branch of Deutsche was welcomed in Spain and Argentina,

to give two examples, Bank. Many individual Nazis, with Bormann's permission, trans- because those governments appreciated that German companies ferred their own assets. Von Ribbentrop in one shipment banked would generate jobs and implement a more favorable balance \$1 million, allegedly using an Argentinian intermediary named of trade. Country by country, a breakdown by U.S. Treasury Pedro Rodrigues Panchino as his five percenter, according to the investigators of these new 750 German firms was as follows: French newspaper, France-Soir, in its edition of February 10, Portugal, 58; Spain, 1 12; Sweden, 2 33; Switzerland, 214; Turkey, 1945. The hangman claimed von Ribbentrop at Nuremberg. So 35; Argentina, 98.

the throwaway question is whether the Argentinian kept the Gold always held a great attraction for Martin Bormann, as it money in his own name or it was turned over to Bormann's did for all German bankers and economic leaders of the Third account. I would think the latter, for one doesn't fool with SS

Reich. In fiscal conferences during the occupation years, in men charged with guarding such sums on behalf of the NSDAP

Brussels, Paris, and Amsterdam, the German economic special-in exile. Others wanting large deposits in Portugal or Spain ists would always advocate more printing of local currencies by would first ship gold to Switzerland, order it sold, then have a the state treasury. But when it came to safeguarding their own check or bank draft sent to Madrid or Lisbon in care of their means, it was gold, always. Perhaps it was a subconscious hold-money agent, where it would be deposited and then claimed at over from the early 1920s⁷ when the currency of the Weimar the end of the war.

Republic had become virtually worthless. In 1943, when Bor-Turkey, too, did a brisk business in gold and other assets.

mann was sitting tall in the saddle as Hitler's right hand and as The week when three German armies were attacking in the leader of the Nazi Party throughout the world, as well as chair-Ardennes, German assets in Turkey on the record totaled \$30

man of his own banking committee, which oversaw the banking million, and the Turkish-German clearing account was \$1 5.7

practices of every bank in Germany and the greater Third Reich, million in favor of the German government. Neither figure tells the Reichsleiter made sure that gold bullion was drawn into the the whole story of Nazi resources in Turkey. Two branches of vaults of the Reichsbank and of the three big commercial banks German banks, the Deutsche Istanbul and the Deutsche Orient in Berlin. The gold, whatever its origin, would be stamped with (a branch of the Dresdner Bank), were depositories for a steady Third Reich seals and periodically sold to leading Swiss banks, flow of bonds, cash, gold, bank deposits, and foreign exchange as well as to the Swiss National Bank. These banks purchased belonging to German firms and individuals. In Turkey, as in several hundred million dollars of such gold, paying in Swiss other neutrals, the Germans had also been able to achieve a safe francs, which the Germans preferred at this point. The money haven for their money, by preventing the normal repatriation of was then left on deposit in various numbered accounts to be foreign earnings. For example, both major German banks had a invested in Switzerland and in other neutral countries, and policy approved by Bormann of accumulating in Turkey all ultimately to maintain the Bormann party apparatus abroad.

annual profits of the war years, rather than returning the money These banking channels aside, Martin Bormann had other to Berlin. It just piled up as a bookkeeping item ready for trans-ways to disperse German assets outside of the Third Reich. The fer to South America or investment in Turkish business and 136

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commerce. Six big German insurance companies with branches companies. These businesses covered the following fields: manu-in Turkey followed the same policy. Further, they followed a facturing (foodstuffs, chemicals, electrical and automobile policy of linking Turkish insurance companies to their own equipment, machinery and machine equipment, other metal operations by granting readily available German capital in re-products); petroleum production, refining and distribution; turn for stock considerations. Thus, these insurance firms gen-finance; trade; and miscellaneous.

erated large fluid assets that they invested in real estate and American

industry, of course, had a financial stake in German other properties. More than sixty German-controlled firms were industry. In the same year, 1941, 171 U.S. corporations had the linchpin of the Turkish economy, and ran the gamut from major investments in German firms amounting to \$420 million.

construction to chemicals. In 1944 gold trading grew very active, A listing of these corporations is identical to the general cate-with Deutsche Bank selling \$5.5 million in gold coins for clients.

gories under German ownership in the United States.

When in 1944 Turkey severed diplomatic relations with the When Bormann gave the order for his representatives to re-Third Reich, joining the Allies in 1945, just four months before some purchases of American corporate stocks, it was usually German surrender, there was no blocking of German assets.

done through the neutral countries of Switzerland and Argen-Thus, the two German banks in Turkey were enabled to trans-tina. From foreign exchange funds on deposit in Swiss banks fer millions to their branches in Spain and Argentina. The and in Deutsche Sudamerikanische Bank, the Buenos Aires branch German firms that had taken on a Turkish coloration of owner-of Deutsche Bank, large demand deposits were placed in the ship were to be reclaimed by their German owners after the war.

principal money-center banks of New York City: National City Throughout this period of asset transfer, Reichsleiter Bor-

(now Citibank), Chase (now Chase Manhattan N.A.), Manu-mann's goal was to have as much foreign exchange as possible facturers and Hanover (now Manufacturers Hanover Trust), in position in all neutral nations in both hemispheres. Aside Morgan Guaranty, and Irving Trust. Such deposits are interest-from the Swiss banks, which made all currencies readily avail-free and the banks can invest this money as they wish, thus able in exchange for goods, trade, or gold bullion sales, the turning tidy profits for themselves. In return, they provide rea-export of German products to neutral nations added to the gen-sonable services such as the purchase of stocks and transfer or eral foreign exchange funds. Upon receipt of German goods, an payment of money on demand by customers of Deutsche Bank, agency in Spain-for

example, the Spanish Foreign Exchange such as representatives of the Bormann business organizations Institute-would credit pesetas to a German-controlled import-and Martin Bormann himself, who has demand accounts in export company. With such funds accumulating rapidly in three New York City banks. They continue to do so. The Ger-Spain, Portugal, Sweden, Switzerland, and Argentina, Bormann man investment in American corporations from these sources and his group, who were handling the fortunes of 750 new cor-exceeded \$5 billion and made the Bormann economic structure porations, would use these corporations in neutral countries as a web of power and influence. The two German-owned banks cloaks for investing in American companies. Bormann always of Spain, Banco Aleman Transatlantico (now named Banco had a high regard for U.S. blue chip stocks as a stable invest-Comercial Transatlantico), and Banco Germanico de la America ment, consistently purchasing a vast number of shares from the del Sur, S.A., a subsidiary of Deutsche Bank, served to channel European offices of such New York stock brokerage houses as German money from Spain to South America, where further Merrill, Lynch on behalf of the Reich chancellery and Hitler, investments were made.

until war became official between the United States and Ger-Argentina was the mecca for such money in the Western many and the buying stopped, for a time.

Hemisphere, and when Bormann gave the go-ahead in his overIn 1941, investments in U.S. corporations by German com-all flight capital program after the decisions at Strasbourg, over panies and assorted German individuals held voting ownership \$6 billion of this money flowed into Buenos Aires for investin 170; minority ownership was held in another 108 American ment there and elsewhere in Latin America. The investments 138

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covered factories, hotels, resorts, cattle, banks, land, sugar and in his own area of competence, secret state police affairs. He coffee plantations, metallurgy, insurance, electrical products, told Bormann that Ernst Kaltenbrunner, chief of the Gestapo construction, and communications. It was much the same and an SS general, had gathered a small personal treasure and investment spectrum as established in Spain. West German in-

was sending it by armed SS convoy to a hideaway. Mueller vestments today account for nearly 45 percent of all foreign handed to Bormann the listing, which read as follows: 50 kilo-investments in Spain.

grams of gold bars, 50 cases of gold coins and gold watches, Before D-Day four Paris banks, Worms et Cie., Banque de 2 million American dollars, 2 million Swiss francs, five cases Paris et des Pays-Bas, Banque de l'Indochine (now with "et de filled with diamonds and other precious stones, one stamp col-Suez" added to its name), and Banque Nationale pour le Com-lection worth 5 million gold marks.

merce et l'Industrie (now Banque Nationale de Paris), were

"Well," Bormann commented, "Ernst is still looking out for used by Bormann to siphon NSDAP and other German money Ernst. It doesn't mean much to the big picture. But find out in France to their bank branches in the colonies, where it was where he has it taken. When it's buried, and it will probably be safeguarded and invested for its German ownership.

in an Austrian lake close to his home, we might want one of In addition to overseeing his 750 new corporations, Martin our party gauleiters to watch over it. Kaltenbrunner may never Bormann was also kept apprised of I.G. Farben's activities in last the war out, and it would be useful to the party later."

neutral countries, as well as the intensified activities of other Mueller stood at attention, nodded, and left the office.

major firms that were utilizing the new Bormann policy of Kaltenbrunner finished the war out but never made it to his transferring Third Reich money to subsidiaries. Farben had treasure. He did receive a report from his aide that it was secure, eight subsidiaries in Argentina, three in Portugal, four in Swe-sunk deep in waterproof containers in Ausee Lake, but he was den, six in Switzerland, and fourteen in Spain. A.E.G., the giant one of the ten convicted and executed in the prison gymnasium electrical equipment manufacturer, had six subsidiaries in Ar-at Nuremberg.

gentina, three affiliates in Spain, and four in Sweden. In brief, Field Marshal

Kesselring, during his retreat in Italy, before every major German corporation with an international operation surrendering his 1-million-man force to the Allies, ordered \$4.8

strengthened its branches, subsidiaries, and affiliates with an million in assorted valuables sunk in the waters around Verona.

influx of new money and talent that included scientists and He wanted it safely out of the grasp of Italian communist technicians arriving weekly ready to perform laboratory research partisans.

in Spain and Buenos Aires.

Early in January 1945 Adolf Hitler and Martin Bormann, in Corsica was held by German and Italian troops in the summer company with the rest of their headquarters staff, left the of 1943. The coastal areas, that is, and the principal cities—the Ardennes sector and traveled back to Berlin. On January 12

capital of the island, Ajaccio, with its 25,000 people living Stalin launched his Soviet winter offensive. The Fuehrer was in around the bay, Bastia and its bay likewise ringed with people, his main office in the chancellery, Bormann just adjacent. A and the coastal regions. But despite the armed might of the briefing on the battle in the East given by General Heinz Gu-Axis troops, the Corsicans controlled the inland mountainous derian had been concluded. It had been a stormy session, in region, where hardly a road existed. The rugged dwellers had which Guderian was pessimistic about holding, and strongly footpaths and trails throughout the wild interior, and they had urged that German forces fall back. Hitler resisted this sugges-the patience and wily wisdom of their forebears. They knew that tion with anger. Afterward, Reichsleiter Bormann was visited in in time the Germans and Italians would depart, as had the his own office by Heinrich Mueller, SS chief group leader and Romans and the Vandals, the Visigoths, the Saracens, the senior general of the Waffen SS. As Bormann was skillful in Genoese, and the French. Through the centuries, Corsicans had administration and world fiscal affairs, Mueller was equally tops engaged in trade with their invaders. They did so now with the 140

Germans and Italians, and would soon be doing likewise with had reached La Spezia and reported his action to the German the Americans and British and Free French who were to come.

naval command. Rather than being commended for his fore-The Germans and Italians were making preparations to leave, sight, he, along with three officers, was held for court-martial in and were watched, as always, by members of the Unione Corse, the barracks of Massa, below La Spezia. The officers were shot the ancient secret organization whose tentacles spread to Mar-and the seamen, judged as only carrying out orders, were sent seilles and through the underworld of Europe. They watched at off to the Russian front.

the Bay of Bastia during the month of September as German For the next month, on instructions from La Spezia, the E-boats and frogmen searched the bottom of the bay for a German naval command on Corsica searched for the heavy treasure they were unable to locate.

containers in the waters and soft sand off Bastia Bay. But on The Germans were searching for a shipment of gold bullion, October 4, under Allied pressure, the Germans withdrew from diamonds, jewelry, and currencies, which had been sealed in six the island, after blowing up the ancient, narrow stone bridges lead containers and placed aboard an E-boat at Tripoli earlier on the eastern end. Within two days the streets of Ajaccio, with in 1943. It was loot of North Africa, valued at an estimated \$150

its statue of Napoleon, were filled with men wearing the uni-million, and had been collected by a special unit sent from forms of the United States, Britain, and the Free French. The Berlin by Reichsleiter Martin Bormann, to add to the Reich bays of Ajaccio and Bastia filled with freighters, supply ships, chancellery fund of the NSDAP. As the Afrika Korps retreated tenders, gray destroyers, and troop transports. Inland, glades, under the ferocious onslaught of the British Eighth Army, the meadows, rocks, and trees were bulldozed away to create an treasure had been packed up and shipped out of Tripoli. This airfield, from which flew American and British fighter planes port in Libya was especially striking because of the waterfront and DC-3

transports.

facade built by Italian stonemasons. The E-boat, under command of the *Unione Corse* waited through this desecration with the command of officer Hauptmann Dahl, moved out of Tripoli harbor traditional patience of a patriarchal crime family. When the boat at high speed, then was lost from view in the Mediterranean's hubbub was over, and all was serene again, the waters would be dark blue. On the way to Italy, Hauptmann Dahl was ordered to head for Corsica with the sealed treasure; he was to head for Corsica, and divers of the *Unione Corse* tried and tried but to join a German naval convoy off Bastia, which would then failed to locate the looted treasure of North Africa. Occasion-steam north to German naval headquarters at La Spezia, in ally, venturesome strangers would arrive to explore, having heard northern Italy. There they were to unload the consignment and rumors of Nazi booty. In one way or another, all were discouraged to take it by truck to Milano, where it would go by train over the Alps. Four disappeared one night. An Andre Mattei was found in the Alps to Germany and on to Berlin. Dahl had made it to the coast, riddled with bullets, after he had had too much to say of Corsica but before he could join the convoy an Allied about the location of the six containers. Then appeared a Peter air attack dispersed the German and Italian ships, sinking *sev-Fleig*, one of the German sailors of the original E-boat, who had been the *erale*. Steering a course along the shoreline was all that he could help shove the containers into the water that night back in; Dahl didn't dare to venture ashore because on this night he September 1943. He had survived the war in Russia, spent a year or so in a military hospital recovering from wounds, and guerillas. He had headed for the estuary of Golo and there, then made it to Corsica. The vision that had sustained him about four kilometers off the port of Bastia, unloaded the six through Russia and convalescence was that of finding again this lead containers, as a safekeeping measure. He ordered his of *fi-wealth*. While diving for it he was warned off by the *Unione cers* and crewmen to drop the cargo overboard, which they did *Corse*, a warning he paid no attention to. He vanished.

—in about 20 fathoms of water. Marking the spot in triangular This legend of World War II continues to attract the adventure-fashion with two land bearings

he headed north to Italy. He toured. Even Edwin Link, American businessman and inventor 142

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of the Link Trainer of World War II, who later pioneered man art dealer who had become owner of the Goudstikker Gal-underwater vehicles for oceanographic exploration, mounted an series in Amsterdam after the occupation in 1940, to begin expedition in the spring of 1963 to search for the treasure that collecting works of art that could be readily turned into cash had been intended for Martin Bormann. Like the others, Link, in Spain. Miedel began with excellent Dutch paintings, by too, failed.

early as well as by later great masters. Usually he paid for them in German marks that had been pumped into the Dutch, Bel-In the final days of any war, grabbing and looting are common, and French currency systems-but on occasion with Dutch monnaie. Martin Bormann, however, was wrapped up in the

“occupation” guilders. He seized outright art belonging to Jew-dispersal of several billion dollars in assets around the globe.

ish owners. He took his first big shipment in a Luftwaffe plane He dwelled on control of the 750 corporations; he had utilized to Bilbao, a free port in Spain. Among the valuable paintings every known legal device to disguise their ownership and their he offered for sale were works by Rembrandt, Van Dyck, Ru-paintings of operation: use of nominees, option agreements, pool bets, Jan Steen, and Cranach. The Prado in Madrid offered agreements, endorsements in blank, escrow deposits, pledges, 2 million pesetas for one of these. They purchased others more collateral loans, rights of first refusal, management contracts, cheaply, at prices ranging from 100,000 to 500,000 pesetas. Brit-service contracts, patent agreements, cartels, and withholding ish and American diplomats in Madrid, who were likewise ama-procedures. Detailed documents and other papers on each com-tee collectors, identified ten in the Prado looted from Holland party and on all money transferred from the Third Reich to as belonging to the Goudstikker collection, one to the Van outside subsidiaries of the German corporations participating in Oalst collection, and one to the Valkenburg collection. Even-the flight capital

program, had been maintained. As goals were tually, some were returned to their owners. The money paid to achieved, the papers were deposited in Swiss banks. A copy of Alois Miedel was banked in an account jointly controlled by everything, including field reports, went to Bormann as part of himself and Goering.

the historic file that would be crated and trucked out of Berlin Miedel was a very busy man during the last stage of the war, to Munich, flown to Spain, and then transshipped to the Bor-and for a time was the most important art dealer in Europe.

mann archives in South America.

He brought a shipment of art treasures from France, with Hermann Goering, like Ernst Kaltenbrunner, got caught up Goering's assistance, and for their sale in Spain published a in the looting frenzy of the waning days of the war. Art treasures catalogue of 200 pictures. Art stolen from Italy was appearing were Goering's passion, and he had filled his mansion, Karinhall, in Stockholm and in the galleries of Geneva, Basel, and Zurich.

with priceless specimens taken from national collections in alThe value of paintings and objects of art looted from Holland, most every city of the occupied world. As the Allied forces Belgium, and France totaled over \$1.5 billion. Holland alone closed in on the Nazis, he had most of these stored in cool salt accounted for 200 million guilders or \$136 million. Aside from mines to protect them from bombs and the weather. He was Hermann Goering, Joseph Goebbels and Joachim von Ribben-shrewd enough to realize that such masters could be readily trop were recipients of stolen art. While Alois Miedel was identified and returned to their rightful owners. He possessed Goering's personal art hunter, Dr. Hans Wendland in France several of the better paintings from the Rothschild collection in and Andreas Hofer, a Berlin art dealer, were also extremely France. Almost certainly they would find their way back to active in the business.

Baron Rothschild. Still, he realized that certain art treasures not In December 1944 the Spanish government issued an order so easily identifiable have great economic value; if sold in a for the arrest of Alois Miedel, but he had already been seized neutral country, they could provide a

handsome source of for-by the Maquis on the French side of the border. Miedel escaped, eign exchange, providing one was able to collect it after the war.

made his way back to Spain, then with German assistance d is-Goering instructed a friend in Holland, Alois Miedel, a Ger-appeared. He showed up later in Buenos Aires, whence his funds 144

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had been transferred, and to demonstrate that all art lovers were had been trained like those in industry to follow a pattern that not in Spain, Sweden, or Switzerland, the paintings he had with would advance the interests of their country. In the first week foresight shipped to Buenos Aires were soon gracing many fine of occupation by the Allies after the surrender, when Allied homes there.

military government representatives went to the Ruhr factories, In London and Washington there was grave concern about they were always met by handpicked Germans, frequently engi-the German flight capital. Officials of both Allied governments neers, speaking English and prepared with credentials to prove knew in a general way what was going on, but not until they their acquaintance with reputable citizens and corporations in had laboriously compiled a card index of 500,000 names of the United States. They had already begun to rehabilitate the businessmen in both hemispheres, northern and southern, who bombed factories. The destruction of I.G. Farben plants was were working for the Germans, did they realize the magnitude relatively light. As German I.G. technicians streamed from the of the task ahead. This list showed only the tip of the iceberg; battlefronts back to their hometowns and went to work, it was many, many people were willing to be profitably employed by estimated that production could reach 90 percent of capacity the Germans. It was early 1945, and Bormann was moving for-in three months, given adequate supplies of labor, fuel, power, ward full speed. The various departments of the two Allied and raw materials. War damage to the other industrial firms governments—U.S. Department of State and Treasury Depart-had also been greatly exaggerated by Allied wartime air intelli-ment, British Ministry of Economic Warfare, together with gence. The amount of capacity knocked out by bombing and General Donovan's OSS

and General Menzies' MI-6—realized shelling was less than that which the Germans had built during only too well that they would have to come up with a substan-the war, so that Germany found herself somewhat ahead of her tial counteroffensive to checkmate Martin Bormann's economic prewar capacity. For a time the Allies threatened to dismantle blitzkrieg. Bormann's group was lean and mean, a prototype of heavy factories and ship them to neighboring countries. But what Admiral Turner in 1977 was to hope aloud that his CIA they would have been useless additions, and this factor, together might one day become.

with a growing distrust of Russia by the American and British Orvis A. Schmidt, director of Foreign Funds Control of the governments, produced a change in outlook. Germany, with U.S. Treasury Department, shook his head when he described \$1.5 billion from the Marshall Plan, would soon find herself the German flight capital operation in 1945:

with the same well-rounded industrial structure as before the

“The network of trade, industrial, and cartel organizations war.

has been streamlined and intermeshed, not only organizationally But what really hexed officials in London and Washington, but also by what has been officially described as ‘personnel whose job it was to stop the flow of liquid assets out of Ger-union.’ Legal authority to operate this organizational machinery many, was their inability to get a handle on the problem. Every-has been vested in the concerns that have majority capacity in thing was moving too fast. At all key points this economic the key industries, such as those producing iron and steel, coal, empire was staffed by reliable party men, who were also expert and basic chemicals. These concerns have been deliberately businessmen. They in turn guided and worked with the nationals welded together by exchanges of stock to the point where a of each neutral country, who could be counted on to follow the handful of men can make policy and other decisions that affect same pattern of contributing to the best interests of Germany us all.”

and German business corporations. In the formerly occupied This highly developed control that blanketed Germany from countries, when ownership of a corporation was turned over to top to bottom also functioned outside of

the Third Reich and an appointee it was a legal fact, but there was simultaneously was a vital key to the success of the Bormann program. The the handshake and the oral understanding that within five years great civil service bureaucracy within Germany never for a moment ownership would revert to the German. Bormann believed that men doubted that there would be a German revival, and they five years was a sensible time limit. He knew from his own

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intelligence sources that Russia would take over eleven nations and the capital made available for export by Martin Bormann.

along the eastern frontier, including the eastern part of Germany. They were also able to employ large numbers of German scientists, and that this would disenchant the British and the scientists and technicians who had been moved out of Germany in 1944. This, and the truth that man's memory is short-lived, guaranteed an altered Allied attitude.

El Fenix Sudamericano Cia. de Reaseguros, S.A., an affiliate of But all this speculation was for the near future; Bormann the Munich Reinsurance Company. All South American big deals were dealt with the present from his offices in Hitler's headquarters.

business came to depend on El Fenix as the principal reinsurers. When he gave directions they were followed in Latin America.

of commerce and industry in Latin America.

At the time Orvis A. Schmidt of the U.S. Treasury Department. Not so important but curiously interesting was the establishment :

ment of the small textile firm of Denubio, with a capitalization

"The great German combines were the spearheads of economic penetration in Argentina. In 1944, while serving as German economic penetration in the other American republics. In the field man army chief of staff in Berlin, General

Heinz Guderian of drugs and pharmaceuticals the Bayer, Merck, and Schering received permission from Reichsleiter Bormann to establish this companies enjoyed a virtual monopoly. I.G. Farben subsidiaries firm in association with a partner, Count Galeazzo Ciano, Mus-had a firm hold on the dye and chemical market. German solini's son-in-law and Italian foreign minister to the Third enterprises such as Tubos Mannesmann, Ferrostaal, A.E.G., and Reich. The granting of such permission also entitled the famed Siemens-Schuckert played a dominant role in the construction, Panzer general to the use and transfer of Nazi state funds to electrical, and engineering fields. Shipping companies and, in Argentina for this corporate purpose. When Orvis A. Schmidt some areas, German airlines, were well entrenched. In addition, suggested that some Latin American business enterprises alter other and newer pro-German firms were engaged in miscellane-their management to exclude all Germans, the chief executive ous types of business, some of which were partly or wholly officer of such a company would frequently claim non-German owned by Germans and some of which were wholly owned by ownership, which made it necessary for a U.S. Treasury team to persons of German origin, who, without changing their inborn trace laboriously the ownership through a maze of dummies and allegiance, had acquired citizenship in one of the American holding companies. There was also the feeling of the U.S. ad-republics."

ministration that to proceed fully with such an elimination The U.S. Treasury Department thought it might be possible program in Latin America was to open up the serious question to supersede these German firms with a replacement program of whether the United States had the constitutional authority of its own, in which local industry would be fostered, with U.S.

to take such action.

corporations encouraged to expand into these markets. But the Recently in Washington, D.C., I spoke with two lawyers, obstacles were too great. In some Latin American countries both of whom had worked with Orvis A. Schmidt, now de-German capital represented a large segment of the total business ceased. As the director of Foreign Funds Control of the U.S.

investment and in some important industries there was nothing Treasury Department during the latter part of the war, Schmidt to replace such

German corporations, which had been profit-was the U.S. official directly responsible for stopping the Ger-making concerns for some years; the I.G. Farbens and Siemens.

man flow of assets to safe havens; he had been in a position to Part of the new corporate move to Latin America was repre-destroy the Bormann intention of establishing economic strong-sented by Fritz Mandl, the armament manufacturer of the points from which German businessmen could launch their Ruhr, who invested heavily in an Argentine government pro-postwar commercial campaigns after the war.

gram to expand its armaments industry. The two largest German One of these lawyers was Elting Arnold. He told me that firms, Thyssen Lametal, S.A., Industrial y Mercantil, and La Foreign Funds Control had been the think tank for Henry Sociedad Tubos Mannesmann, received German financing un-Morgenthau, secretary of the treasury, and that it was composed 148

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of brilliant young men dedicated to high principles and the But perhaps Pehle put his finger on the reason why U.S. For-freezing of enemy assets in wartime. Arnold described Schmidt eign Funds Control was unable to interdict the German drive as a “tenacious, observant man, a man of sincerity and great to move assets to neutral nations.

character. . . . He was large and barrel-chested, quiet-spoken but

“In 1944 emphasis in Washington shifted from overseas fiscal possessed of a sense of mission.” Following World War II, controls to assistance to Jewish war refugees. On presidential Orvis Schmidt went to the International Bank for Reconstruct-order I was made executive director of the War Refugee Board ion, serving there until the time of his death.

in January 1944. Orvis Schmidt became director of Foreign From the second attorney, John Pehle, I learned why Schmidt Funds Control. Some of the manpower he had was transferred, and Foreign Funds Control had been unable to stop the German and while the Germans evidently were doing their best to avoid program of flight capital to neutral nations. John Pehle, an

Allied seizure of assets, we were doing our best to extricate as urbane and distinguished looking man who is today counsel to many Jews as possible from Europe.’,

the law firm of Morgan, Lewis, and Bockies, had been the orig-One project of Mr. Pehle’s War Refugee Board was an order inal director of Foreign Funds Control in the U.S. Treasury to rescue as many Jews as possible from Budapest. The U.S.

Department, with Orvis Schmidt serving as his deputy director.

board could not intervene directly and so it asked the Swedish Pehle said, “The main mission of Foreign Funds Control, government if it would send a Swedish representative to Hun-which began on April 8, 1940, after Norway and Denmark were gary, where 900,000 Jews, the last large remaining Jewish popu-invaded, was to freeze the assets of these countries in the United lation, awaited either extinction or rescue. Sweden agreed and States so they could not be used by the Third Reich. As other dispatched Raoul Wallenberg, who traveled to Budapest with countries were occupied, our activities expanded until we had huge sums of U.S. Treasury money and Swedish diplomatic al assets of Germany, Japan, and all occupied countries frozen, papers, which were to provide freedom of travel to Sweden for which amounted to many billions of dollars. We also attempted a subsequent stream of 90,000 Jewish refugees. But when Buda-to reach outside the United States to control the assets and pest fell to Soviet troops, Wallenberg became a prisoner of the trade of Germany and Japan by establishing, with Britain, a Russians and was shipped to Moscow.

blacklist of firms and businessmen doing business with Ger-Many believe that Wallenberg has spent the last thirty years many. There were no computers in those days and we kept in Soviet prisons. Russia has denied the capture and imprison-some 500,000 names on Rolodex files. It was cumbersome and ment of Wallenberg. But the case remains open. In May of slow.”

1980 the “Free Raoul Wallenberg Committee,” largely com-Mr. Pehle believes his department of several hundred did a posed of influential Swedish and American Jews, held an inter-fine job of controlling foreign assets in the

United States. Of national hearing in Stockholm to focus new attention on this course, "there was always political pressure to free some com-case. They wanted to induce the Soviet Union to produce this pany or other from our strictures. The infamous IT&T deal in man, whom Einstein recommended for the Nobel Peace Prize which they sold their telephone company in Romania to the in 1949 for efforts in Budapest on behalf of Balkan Jews and the Romanian government and were paid the \$7 million in the American War Refugee Board operating under the direction U.S. which represented Romanian frozen currency, is a testi-of John Pehle.

mony to backstairs influence. However, I am glad to say it didn't The two objectives were diametrically opposed. Certainly in happen again."

Pehle described the U.S. Treasury Department as an interhis power position Reichsleiter Martin Bormann from 1944 to esting place to be. "We had bright men. Lend-Lease was con-the end of the war was moving with all possible speed to shift ceived in the Treasury."

all moveable assets out of the greater Third Reich. He was untroubled by the humanitarian considerations holding Wash-150

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reach and eliminate the German ability to finance another world ington in their sway. For him it was a go-for-broke operation war. We must render useless the devices and cloaks which have all the way. Even today, however, there are U.S. Treasury old-been employed to hide German assets.

timers of World War II still not aware of the magnitude of the Bormann operation and of its success. Those who know, in Washington, in South America, and in the capitals of Europe, Schmidt noted the facts that A.E.G. had six subsidiaries in are locked together in a conspiracy of silence that has endured Argentina, one in Portugal, two in Spain, three in Sweden; for thirty-seven years until the publication of this book.

Siemen-Schuckert-Werke A.G. with seven subsidiaries in Ar-In this silent contest during the winddown years of World gentina, two each in Portugal and Sweden, four in Spain, and War II, Orvis A. Schmidt was not to emerge

victor over Martin five in Switzerland, and that Vereinigte Stahlwerke had seven Bormann, although he tried. Tirelessly, he told assorted Senate subsidiaries in Argentina, three affiliates in Spain, and four in committees what was happening, spoke of the extent of the Sweden—and so on almost ad infinitum. He was to save per-German plan, and urged a new dedication to stopping the flight haps his best shot for I.G. Farben when he testified before a capital blitzkrieg, with the prescient warning, “It is these new U.S. Senate committee:

concentrations of economic power which will enable Germany

“We have found an I.G. Farben list of its own companies to rise again.”

abroad and at home—a secret list hitherto unknown—which Orvis A. Schmidt felt that he was a man crying in the wilder-names over 700 companies in which I.G. Farben has an interest as he gave testimony before Senate committees. The mood est,” and this did not include their regular corporate structure of the country and the marketplace was similar: get our boys in 93 countries or the 750 companies established under the home and get on with the business of making money and build-Martin Bormann program.

ing new homes and stabilizing the economy for the bumper He also recited the discovery of his former chief, John Pehle, crop of babies which was sure to come. When Orvis Schmidt now directing the War Refugee Board at the request of Presi-told the Senators the extent of German economic infiltration dent Roosevelt. I.G. Farben, at the insistence of Himmler and into the foreign countries even before VE-day and that the for related political reasons, had built a vast industrial estab-Germans intended to preserve this vast hidden economic struc-lishment at Auschwitz to manufacture synthetic oil and rubber.

ture in order to rise again, he knew instinctively that he had Himmler promised Farben officials an unending supply of Jews failed to catch the interest of the American lawmakers. Schmidt in the 300,000 population concentration camp to work I.G.

testified:

Farben Auschwitz. But even Friedrich Flick and other Ruhr The danger does not lie so much in the fact that the German indus-industrialists who were themselves utilizing supplies of slave trial giants have honeycombed the neutrals, Turkey and Argentina, labor in their factories to the west knew production could only with branches and affiliates which know how to subvert their combe maintained with well-fed workers, not emaciated, walking mercial interests to the espionage and sabotage demands of their skeletons as at Auschwitz. It was I.G. Farben's greatest failure.

government. It is important and dangerous, however, that many of Despite a plant which used more electricity than the city of these branches, subsidiaries, and affiliates in the neutrals and much Berlin, an investment of 900 million Reichsmarks, and 25,000

of the cash, securities, patents, contracts and so forth, are ostensibly inmates who were worked until they dropped dead, not a single owned through the medium of secret numbered accounts or rubric pound of Buna rubber was ever produced. It was the last time accounts, trusts, loans, holding companies, bearer shares, and the that political considerations would influence business judgment like by dummy persons and companies claiming neutral nationality in the establishment of a factory, decreed the I.G. Farben board and all of the alleged protection and privileges arising from such of directors.

identities. The real problem is to break the veil of secrecy and 152

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Orvis Schmidt also testified that when they questioned the her return from exile in London and Montreal, she promptly top Farben people about their wartime activities, dismissed the U.S. investigative mission, which had been attempting to uncover secrets of the German-Luxembourg steel

. . . They were inclined to be very indignant. Their general attitude cartel. Elbert D. Thomas of Utah, when he was chairman of the and expectations was that the war was over and we ought now to U.S. Senate subcommittee on military affairs, commented in be assisting them in helping to get I.G. Farben and German industry Washington on June 26, 1945:

back on its feet. Some of them have outwardly said that this questioning and investigation was, in their estimation, only a phenomenon. We had a mission in Luxembourg which was obtaining quite a bit of short duration, because as soon as things got a little settled they of information on the steel cartel until the Grand Duchess returned.

would expect their friends in the United States and England to be. Information was then blocked off from us and the mission had to come over. Their friends, so they said, would put a stop to retire with what information they had already collected. There were activities such as these investigations and would see that they got much to learn about the way in which small states like Luxembourg the treatment which they regarded as proper and that assistance had been used by the cartels. The episode suggests that some rulers, would be given to them to help reestablish their industry.

whom we have befriended, may be expected to assist the cartelists in their postwar efforts to regain dominance.

As the war came to a close, all major American industries felt that they would like to see the German money machine. What the grand duchess learned from her finance minister on working again. Every U.S. company of consequence had its her return to Luxembourg was simple: "Don't tamper with the representative in uniform, as technical advisor or officer, as did money machine. We made record profits during the German the British. As Allied armies moved through France, Belgium, etc., and there is every indication we will be going into an even and the Lowlands, corporate executives took time out to check greater period of prosperity, once Germany recovers. They will the status of their branch firms. The changing tone seemed then continue to be our biggest customer. All that is required auspicious to Martin Bormann.

now is a readjustment in stock ownership to please Belgian, In all lands liberated by American and British armies, there French, British, and American shareholders, which will be was a reluctance to disturb the machinery of money and industry done." Open German stock ownership was reduced to its former try that had been shaped by German economic experts into position of about 20 percent in Luxembourg industry and the cartels and interlocking business arrangements with German German trustee was eliminated. But at board meetings, Belgian firms. The obvious inequities and

seizures were adjusted. The and French banks voted as blocs on behalf of stockholders in paintings taken from the Rothschilds were returned, as was the Germany. The German voice in the wings was still there, and as family bank. Firms and newspapers that had been too blatantly time went on in Luxembourg, increasingly the voice could be Nazi changed hands or were closed down. The German presence heard loud and clear-the customer speaking to the seller, the was reduced, but not eliminated; the device of cloaked owner-equalizer of the marketplace. Grand Duchess Charlotte, who ship insured a continuation of proprietary rights. It all added was to retire during the sixties to be succeeded by her son, Grand up to a new chapter in the adventures of the U.S. Army investi-Duke Jean, always believed that the new prosperity of Luxem-gative teams. Grim idealists when they entered the liberated bourg after the war was testimony to her decision in 1945 not to countries, they soon learned that, once free, each government permit interference with the German financial and industrial ap-haughtily insisted on making its own decisions without advice paratus. The German banks, Deutsche and Dresdner, remained from the Americans.

in position and the Luxembourg financial community continued Even Grand Duchess Charlotte of Luxembourg had her own to look to Frankfurt rather than to Zurich, London, and New ideas, and they didn't jibe with those of the U.S. investigative York for financial guidance. ARBED (its sales organization in team dispatched to her tiny country to set things right. Upon New York City is Amerlux Products) continues as a powerful 154

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and prosperous steel cartel closely tied to its German mentors.

vote four-to-one in late 1945 to release from prison Richard By 1980 Luxembourg was to become a new center for gold buy-Freudenberg, the largest leather and shoe manufacturer in Gering in Europe, with West German banks selling the equivalent many. In 1944 his personal income for the year was one million of \$1.4 billion in gold to holders in Luxembourg. The chief marks. Freudenberg was also a war economy leader and a re-attraction was the lack of a value-added tax, a form of sales gional economic advisor to Reichsleiter Bormann. He had been tax. The tiny principality also became the European finance jailed as an active Nazi under the mandatory

arrest category center for the KGB and its espionage operations on the con-
regulation, and the vote to release him also permitted him to tinent.

return to management of his company. The argument for free-But on
February 25, 1946, Russell A. Nixon, when acting dom, which was to become
a landmark for occupation authori-director, Division of Investigation of
Cartels and External Assets ties, was expressed by Mr. Reinhard,
representing Ambassador in the U.S. military government in Germany, was
to sum up the Robert Murphy:

entire problem facing those investigative teams in their efforts

“What-we are doing here through denazification is nothing to check and
change the economic web woven to confuse the less than a social revolution.
If the Russians want to Bolshevize Allies. He was to tell a Senate
subcommittee in Washington: their side of the Elbe that is their business, but
it is not in conformity with American standards to cut away the basis of
private We have not yet, nine months after the war has ended, developed
property. This man is an extremely capable industrialist, a kind an effective
drive for these assets. If you will go through the neutral of Henry Ford.”

countries, country by country, you will find that they have not It was fated
that Hermann Schmitz and Martin Bormann accepted the sovereignty of the
four powers in getting the assets.

They are not turning the assets over. Such progress as we have made should
meet again and discuss the progress of the flight capital has been very partial
and generally ineffective. Generally speaking, program. It took place at the
chancellery in Berlin in March in spite of the efforts that have been made, at
the present time 1945. The Wehrmacht was fighting inside Germany, hard
there is a continuation of the dissipation and further concealment pressed by
General Patton’s U.S. Third Army. In the east, Ger-of these assets
throughout all the neutral countries.

man defenses still held in Upper Silesia, Czechoslovakia, and Danzig. But
Russian pressure was increasing. In the chancellery Powerful friends of the
Bormann organization in all Western it was quiet, with only the noise of
typewriters and teletype countries, including those sprinkled in control points

through-machines in outer offices as Schmitz and Bormann talked.

out the administration in Washington and in the financial and In testimony later given to Nuremberg investigators, Schmitz brokerage businesses of Wall Street, the City of London, and praised Bormann for the way he had directed the distribution the Paris establishment, did not wish a coordinated drive to get of German assets around the world. His own Farben organiza-at these external German assets. They had understandable reation had, of course, contributed to the success of the operation.

sons, if you overlook morality: the financial benefits for coop-Every regional representative working for Hermann Schmitz was eration (collaboration had become an old-hat term with the war an exceptional businessman, or he would not have been with winding down) were very enticing, depending on one's im-I.G. All had contributed sound advice in their areas of com-portance and ability to be of service to the organization and the petence, the regions of the world where they represented Farben 750 corporations they were secretly manipulating, to say nothing while keeping an eye on the subsidiaries of the parent concern of the known multinationals such as I.G. Farben, Thyssen A.G., and the 700 hidden corporations they controlled. They had and Siemens; and, as a second reason, the philosophy of free provided assistance and continuing guidance in establishing the enterprise and preservation of private property.

750 new companies created on order of Bormann, who wanted This latter reason was expressed best at an appeals board more than hidden assets; Bormann wanted the money and hearing in the American Zone of Germany. The board was to patents and technicians put to work to create even greater assets 156

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that would bolster Germany in the postwar years. In their meet-Kurt Kruger, another Ilgner lieutenant; Herbert Stein, chief ing in the chancellery, both men checked over the figures of legal advisor of the chemical and dyestuffs department and sums disbursed, and they were accurate to the pfennig. The corporate camouflage expert second only to Schmitz himself.

Reichsleiter asked Schmitz his views of the future. Schmitz All were returned to their corporate offices.

replied, "The occupation armies will be understanding in the Schmitz also told Bormann of his visit to Switzerland earlier West, but certainly not in the East. I have instructed all Farben in the month. "Germany will have a poor image problem this administrators and technicians to come to the West, where they time. Much worse than after the First World War. It can all be can be of use in resuming our operations once the disturbances placed on the doorsteps of Goering, Himmler, and Heydrich.

of 1945 come to a halt."

Goering and Himmler thought up the Final Solution for the Schmitz added that, while general bomb damage to the I.G.

Jews, and Heydrich made it a fact."

plants was about 25 percent of capacity, some were untouched.

Bormann agreed, asking, "How does that affect I.G.?"

He mentioned speaking with Field Marshal Model, who was

"We produced the poison gas on Himmler's orders," Schmitz commanding the defenses of the Ruhr. "Model had planned to explained, "so I've been making some corporate name changes turn our Bayer-Leberkusen pharmaceutical factory into an artil-in Basel, which may help our overseas situation."

lery base but he agreed to make it an open, undefended factory.

Hermann Schmitz then went on to explain that he had Hopefully, we will get it back untouched."

changed I.G. Chemie to Société Internationale pour Participa-What about your board of directors and the essential executions Industrielles et Commerciales S.A. In German-speaking tives? If they are held by the occupation authorities can I.G.

Basel, the name became International Industrie und Handels-continue?" Bormann asked.

beteiligungen A.G., or Interhandel. Schmitz said he had stipu-

'We can continue. We have an operational plan for such a late that only Swiss were to be on the board of directors of the contingency, which everyone understands. However, I don't believe holding corporation, which could then declare itself a fully lieve our board members will be detained too long. Nor will I.

Swiss corporation. The brightest jewel in the Interhandel string But we must go through a procedure of investigation before of companies was General Aniline and Film Corporation, a release, so I have been told by our N.W.7 people who have holding company in the United States for various American excellent contacts in Washington.''

I.G. Farben companies. It had been organized in 1929. There This was not quite an accurate assessment of the immediate were ten members of the board: Schmitz, Bosch, and Greif, all future that faced Schmitz and I.G. Farben in Germany. Twelve Farben men; Metz, Weiss, and Kitroff, of U.S. companies that officers of I.G. were to be tried at Nuremberg, and on July 30, sold Farben manufactured products; and four prominent Amer-1948, they were sentenced to various prison terms for plunder ican industrialists and bankers-Mitchell, Ford, Warburg, and of occupied territories and use of slave labor in their factories.

Teagle of Standard Oil. In one instance Farben gained a large Schmitz was to receive a four-year prison term, but many of the bloc of Standard Oil stock by selling certain patents to the lesser officials would be released by the Allied military govern-Standard Oil Corporation. Some American directors of General ment, which simply didn't know what to do with them. Of those Aniline had large blocs of GAF stocks registered in their name.

at the second level of management, there was Paul Denker, The New York bank of record was National City Bank, the director of Farben's accounting divisions and important in the largest in New York, which is now known as

Citibank. In 1929

various Farben subsidiaries; Carl von Heider, general director the board voted Hermann Schmitz president, a position in of sales of dyestuffs, who also handled the Czechoslovakia opera-which he served from 1929 to 1936, while simultaneously serv-tion; Helmuth Borgwardt, general director of sales of organic ing as head of I.G. Farben. In March 1945, Hermann Schmitz chemicals; Guenther Frank-Fable, chief of the central finance was telling Martin Bormann that he hoped this shuffling of office and director of Max Ilgner's espionage group; N.W.7's name and board membership would prove helpful after the war 158

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when steps would be taken to return General Aniline and Film Corporation, an American firm of the Union Bank of Switzer-Corporation to his ownership in Switzerland. The valuable land and the Deutsche Bank of Germany, would be the financial holding company had been seized in 1942 by U.S. authorities advisors for Thyssen A.G. in its \$275 million cash takeover of as suspected enemy assets.

the Budd Company of Troy, Michigan, a leading U.S. manu-In 1948 a suit was to be filed by certain minority stockholders facturer of auto components, truck trailers, and rail cars. UBS-of Interhandel against the attorney general of the United States, DB Corporation would also say that the West German as successor to the wartime Alien Property Custodian, and the companies it represented were showing a "very substantial inter-U.S. Treasury, for the return of 89 percent of GAF, of a value est in all sorts of American ventures, including mergers and of \$100 million plus \$1.8 million seized in cash in 1942. Inter-acquisition."

handel, through its American attorneys, first filed an adminis-Bayer A.G., another of Schmitz's divisions in I.G. Farben, trative claim, which was denied. The suit then went to the would continue to grow, in 1977 buying Miles Laboratories, a District Court for the District of Columbia, then to the Supreme U.S. corporation, maker of Alka Seltzer, for \$261 million; Court, and back to District Court. The Swiss claim was based Daimler-Benz acquired Euclid, Inc., and Siemens bought 50

on the argument that Interhandel was a Swiss corporation, that percent of Allis-Chalmers electrical equipment operations.

it was not nor had it ever been an enemy of the United States, The General Aniline and Film suit would finally be settled and that it owned the shares in question. The American govern-by Attorney General Robert Kennedy in 1965. The company ment rebuttal was that Interhandel was the result of a conspir-had been under government ownership and American manage-acy between the private bank of H. Sturzenegger, formerly E.

ment for twenty-three years and had always turned a handsome Greutert & Cie., and I.G. Farbenindustrie of Germany and profit. Under private ownership it could do better, and although others “to conceal, camouflage, and cloak the ownership, con-an entire generation of lawyers, bankers, and politicians who trol, and combination by I.G. Farben of properties and interests had profited from GAF would cease making big money from in many countries of the world, including the U.S.”

their involvement, the attorney general felt it was best for the As the case dragged through the U.S. courts, Schmitz would government to divest itself. The war was long over, and few have Interhandel cosmeticized even more. Charles de Loes, past people cared about its Nazi connections.

president of the Swiss Bankers Association, would be elected As a result of this decision, General Aniline and Film would chairman, and the general manager of each of the Big Three be sold at public auction. It was to be the biggest competitive banks would be appointed to the board. They would agree to auction in Wall Street history, and an underwriting syndicate this because the honor of Swiss banking and its principle of headed by First Boston Corporation and Blyth & Company banking secrecy would be at stake. In addition, 25 percent of would win out over Lehmann Brothers. The total sales price, Interhandel stock would be registered in the name of Union \$329,141,926.49. The U.S. War Claims Fund would receive Bank, whose manager, Dr. Alfred Schaefer, was of known in-

\$189.2 million, plus \$17.5 million in back taxes. Through its tegrity. The Swiss believed the association of such a man of Swiss bank connections, \$120.9 million would be distributed to high banking repute at Interhandel

would impress American Interhandel stockholders.

government authorities. But the German connection would still For the aging Hermann Schmitz it had been a good run. A be there. Not only Hermann Schmitz, but also the banking gigantic settlement for General Aniline and his coshareholders connection of Union Bank of Switzerland, Dr. Schaefer's bank, would have capped his remarkable career; however, before the and Deutsche Bank, which acted in concert on so many deals General Aniline suit was settled by Attorney General Kennedy, involving not only I.G. Farben but also big Ruhr industrialists Schmitz died.

such as Thyssen A.G., the largest steelmaker in Germany. In Back in March 1945 when he was confiding in Martin Bor-January 1978 these two lead banks, acting through the UBS-DB

mann, who was also doing some heavy planning, there was 160

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always the unknown—What now? Schmitz foresaw himself testifying before victorious American occupation authorities, perhaps, ruefully, spending some time in prison, and then back to I.G. Farben, to resume his plans to make this vast industrial apparatus more prosperous than ever.

For Martin Bormann time was of the essence, and he had planned his escape with great care. He would, loyally, remain with Adolf Hitler till the end of the war, then he and the Fuehrer would make their way to South America. But on April 27 Hitler's choice was to expire in the Fuehrerbunker with his 6

devoted Eva. Bormann finalized his own plans for an escape design, one worthy of the man who had directed the greatest financial disappearing act in history. From that time on the world has speculated, What really became of Martin Bormann?

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EIGHT MONTHS AFTER BORMANN'S CANNY DIREC-

tives of the Strasbourg conference were put into operation behind the scenes, and in line with his prophetic foresight, Germany's Western Front collapsed. The bitterly defended Rhine had been crossed at Remagen Bridge in early March; shortly, the main Allied battle force swarmed over a broad front at Wesel supported by artillery fire from 2,000 guns and by airborne landings by the American 17th and the British 6th divisions. I stood in the open bay of a Dakota that was hauling gliders laden with soldiers; I recorded history for broadcast later that day from Paris to New York and on to the network. A friend, Joseph Fountain, heard the broadcast on his car radio as he drove north on Riverside Drive in New York, and he wrote me, "It was so clear I could even hear the shrapnel hitting the side of your airplane."

General Patton's U.S. Third Army entered Frankfurt, racing eastward until ordered by General Eisenhower to stop at the Elbe River. Prime Minister Churchill was urging that the push go on, for he wanted Allied armored divisions in Berlin before the Russians got there, for compelling political reasons. The German capital symbolized all of Germany, and in a message to Eisenhower the British prime minister said, "I deem it highly important we should shake hands with the Russians as far to the east as possible." General Patton was likewise pressuring 165

Eisenhower to let him run again at the Elbe, where his com-his leader. As he remarked after the telephone call, "Crazy times mand caravan was parked with the restless G.I.s of the Third call for crazy measures."

Army. Patton was confident he could make it to Berlin, Vienna, In the last week before Berlin's fall to Marshal Zhukov's Red or even Prague before the Red Army. Stalin, however, was Army, a Wagnerian denouement was taking place fifty feet demanding as his prize the city of Berlin, and Roosevelt, in below the Chancellery, in the Fuehrerbunker. The notables who failing health and unable to contend with the driving insistence had ridden the crest of National Socialism for twelve years had of the Soviet leader, again acquiesced, as he had on too many deserted Hitler, save for his two trusted aides, Martin Bormann issues at Yalta, where he gave away more than he should have.

and Josef Goebbels.

With Berlin assured, Stalin was positioned advantageously, em-Hermann Goering had fled with his retainers to Obersalzberg, boldened to wage the cold war that was to follow his seizure of power in the temporary safety of his chalet he could gaze over eleven victim countries swept into the Soviet bloc.

to Berchtesgaden on a nearby mountaintop. Goering, the For days Prime Minister Churchill had tried to reach Presi-Reichsmarshal, had failed the Luftwaffe by indifferent lead-dent Roosevelt to dissuade him from halting American troops er ship; Goering, originator of the Gestapo and the concentration at the Elbe. The replies to him were all issued by General camp system, on July 31, 1941, in agreement with Himmler, Marshall, an indication, Churchill realized, that the president had written to Reinhard Heydrich, "I hereby charge you with was dying. Much earlier in London, upon his return from the making all necessary preparations for bringing about a complete Yalta Conference, Mr. Churchill had expressed privately the solution of the Jewish question in the German sphere of influ-opinion that he would never again see the president alive, re-ence in Europe." From that directive grew the chilling specta-marking that Roosevelt at Yalta was "sallow, wan, dispirited; cles of Auschwitz, Dachau, and the other terminal camps. Goer-the problems of command and war had taken their toll of his ing had taken Hitler at his word in 1941 that the war was body." When the news of Roosevelt's death crackled over the won, and had thereafter lived as a sybarite, with a life style Berlin radio, Josef Goebbels, the wily intellectual of Hitler's resembling that of an oriental potentate, complete with flowing inner circle, had just returned by motor car from the Eastern robes, painted toenails, and jewel-encrusted martial batons.

Front. The city was suffering bombardment, and the Adlon Heinrich Himmler departed the Fuehrerbunker, never to show Hotel was burning. As he mounted the steps of the Propaganda up again, following a depressing staff conference and birthday Ministry, a German reporter said to him, "Herr Reichsminister, party for Hitler on April 20. He reached his headquarters at Roosevelt is dead." Goebbels stood transfixed, then invited the Ziethen castle the next day and there fantasized about succeed-reporter inside for some champagne. Speaking on his private ing Hitler following the collapse of the Third Reich. Interwoven line to the Fuehrerbunker beneath the Chancellery building, in his thoughts was the idea of a meeting with General Eisen-

Goebbels informed Hitler: "My Fuehrer, I congratulate you!

hower to plan a new Germany. "Should I bow to him, or Roosevelt is dead. It is written in the stars that the second half should I shake hands?" was a question he posed to SS General of April will be the turning point for us. This is Friday, April Schellenberg, who was to flee to Sweden in the last week of the the 13th. It is the turning point!" Hitler made a reply to Goeb-war. Schellenberg would later turn himself in to SHAEF, where bels, and when the propaganda minister had replaced the tele-he would become a prisoner of war, write his memoirs (with the phone in its cradle, he was ecstatic.

help of two journalists), which would lack credibility, and then It is not strictly true that Hitler and Goebbels believed in die in 1952. Himmler, the ogre who dispassionately ordered the astrology, but several Nazi leaders such as Himmler did; this was death of entire races, Jews and Slavs, could never endure the tolerated and served to amuse the Fuehrer. Goebbels would sight of death.

employ astrology or any device he could think of to cheer up Grand Admiral Doenitz, commander of the U-boat forces, 166

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retired to Flensburg on the German-Danish border, where he as his intended successor. A conference took place the night of would represent the machinery of Nazi government after Hitler's April 28-29 in the Fuehrerbunker, attended only by Hitler, suicide, and arrange for the unconditional surrender of all Ger-Bormann, and Goebbels. The last will and testament was man armed forces at Rheims, France, on May 7, 1945. He died drafted, and referring to Himmler reads: "Before my death I on January 6, 1981, in his home at Kiel, honored by 2,500 vet-expel from the Party and from all his offices the former Reichs-erans, some with Knight's Crosses tied with red and black fuehrer SS and Reich Minister of the Interior, Heinrich Him-ribbons around their necks, but unhonored by officials of the mler."

Federal Republic in Bonn, fearful of any impetus to neo-Adolf Hitler's private will was a simple document: Nazism.

Albert Speer, the dedicated technocrat who built highways Since I did not think I should take the responsibility of entering and bridges and stately buildings for Hitler, had served as min-into marriage during the years of combat, I have decided now before termination of life on this earth, to marry the woman who, ister of armaments and war production. He disdained others of after many years of true friendship, entered voluntarily into this the inner circle, and had for years been a foe of Martin already almost besieged city, to share my fate. She goes to death Bormann. When Speer departed the Fuehrerbunker for the with me as my wife, according to her own desire. Death will replace last time on April 24, after confessing to Hitler the steps he had for us that of which my work in the service of my people robbed us.

taken to countermand the Fuehrer's order for a scorched-earth What I own belongs—as far as it is of any value at all—to the policy in Germany, and was agreeably surprised at not being Party. Should the Party no longer exist, it will belong to the state.

hauled out by guards and shot in the garden, he flew out of Should the state also be destroyed, any further decision from me Berlin and went first to Himmler, then proceeded to Schleswig-is no longer necessary.

Holstein, where he joined Doenitz at Flensburg.

The paintings in the collections which I have bought during the years have never been acquired for private purposes, but always Both Goering and Himmler were stripped of power during exclusively for the creation of an art gallery in my native town of the last week. The former, heir apparent since 1941, had sent Linz a.d. Donau.

an injudicious telegram to Hitler asking confirmation of his It is my heartfelt desire that this legacy shall be fulfilled.

status as successor, and giving a deadline for the reply. Bormann My most faithful party member, Martin Bormann, shall be the observed to Hitler that the Reichsmarshal was usurping the executor of this testament. He is authorized to make all decisions Fuehrer's power, pointing to the deadline phrase as evidence.

to be final and legal. He is permitted to take everything which Hitler erupted and ordered Bormann to draft a teletype reply.

either has personal souvenir value or which is necessary for the It stated that Goering had committed high treason, for which maintenance of a small bourgeois household and give it to my the penalty was death This would not apply if Goering resigned brothers and sisters, and especially to the mother of my wife and my faithful co-workers who all are well known to him. There are from all his offices. Bormann also sent a teletype to the SS in most of all my old secretaries, Mrs. Winter, etc., who for many Obersalzberg, ordering the arrest of Goering for high treason. It years gave me loyal cooperation.

was announced in Berlin that Goering had resigned all his offi-I and my wife choose death to escape the disgrace of being forced ces, for reasons of health.

to resign or to surrender. It is our wish to be cremated immediately Heinrich Himmler's dream that he would be designated at the place where I have done the greatest part of my work during Fuehrer after Hitler's death was shattered when the news came the twelve years of service for my people.

that he had been removed as successor via Hitler's last will and testament. Himmler had been conducting personal peace nego-The will was signed on April 29, 1945, by Adolf Hitler, wittiations with Count Bernadotte of Sweden as intermediary with nessed by Martin Bormann, Dr. Goebbels, and Nicolaus von the Allies, also promising Hitler's body to the West, and news Below, Hitler's air force adjutant.

of this was reason aplenty for Hitler to eliminate the SS leader 168

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His political testament was an expression in greater detail of mler; Dr. Goebbels, who was made Reichschancellor, would work done for Germany and the German people. He lays blame also be shortly gone, in a suicide pact with his wife, shot on his for the war "on those international statesmen who were either orders by an SS guard, and with their six children quietly put to of Jewish origin or who worked in the Jewish interest." There death by

injections administered by a physician.

exists nowhere in the official records even a scrap of paper attest-The newly created Party Minister Bormann then sent copies in to the fact that Hitler caused the creation of death camps of all these documents by special courier to Doenitz. He comforted Jews and others. But one significant speech, made on January 30, 1939, and directed at President Roosevelt, who was giving every indication of supporting a war against Germany, Dear Grand Admiral!

outlined the course Hitler planned for the future.

Since all our divisions failed to appear our situation seems to be beyond hope. The Fuehrer dictated last night the attached political

“Today I will once more be a prophet. If the international testament. Heil Hitler!

Jewish financiers inside and outside Europe should again succumb-Yours, (signed) Bormann

ceed in plunging the nations into a world war, the result will not be the bolshevization of the earth and the victory of Jewry, With the last will and testament drawn up and signed and a but the annihilation of the Jewish race throughout Europe.”

ceremony of marriage between Hitler and Eva Braun performed This, in 1939.

before Walter Wagner, city councilor and registrar of Berlin, In his political testament, signed in Berlin on April 29, 1945, Eva Braun from force of habit signed her name Eva B——, Hitler returns again to this same theme, arguing that death camps scratched out the “B,” and completed the signature as “Eva for Jews were more humane than death under bombardment.

Hitler.” Those present in the chancellery bunker knew it was I left no doubt that it would not be tolerated this time, that time for the climactic scene, for

the death of the Hitlers. There millions of European children of the Aryan people should starve to was, however, first a champagne breakfast for senior officials, death, that millions of grown-up men should suffer death, and that and following that the usual morning staff conference. It was hundreds of thousands of women and children should be burnt and estimated that the Russians would overrun the bunker by bombed to death in the cities, without the real culprit suffering May 1. A nearby bridge was being defended by youngsters of his due punishment, even though through more humane methods.

the Hitler Youth, and heavy fighting elsewhere was by SS units largely composed of Ukrainians, Romanians, Bulgarians, Hun-Swayed by a philosophy thus expressed and repeated many garians, and Croats, long ago joined with the Nazis, who had times over, Goering, Hitler's decreed successor at that time, reasoned that it was better to die in battle than in a Russian ordered Reinhard Heydrich to "make all necessary preparations slave camp. The last airplane to depart from Berlin had landed for bringing about a complete solution of the Jewish question on April 28, flown by a sergeant pilot of the Luftwaffe who in the German sphere of influence in Europe."

had circled down from 13,000 feet and rolled to a stop on the Hitler then completed the second part of his political testa-east-west axis roadway leading past the Tiergarten and the ment, which was to expel former Reichsmarshal Hermann Goer-chancellery. It was there to fly to safety Ritter von Greim, much ing from the party, in his place appointing Grand Admiral decorated fighter pilot and new field marshal of the Luftwaffe, Doenitz as president of the Reich and as supreme commander who had replaced Goering, and Hanna Reitsch, the lauded of the armed forces. He also expelled Heinrich Himmler and woman test pilot. On Hitler's orders, Greim was to leave this appointed Gauleiter Karl Hanke as Reichsleiter of the SS and night and, once secure at Luftwaffe headquarters, was to mount chief of the German police, and Gauleiter Paul Geisler as an attack on Russian positions in Berlin. They took off after Reichsminister of the interior.

midnight, and as the Arado 96 aircraft climbed it was tossed Martin Bormann had finally won out over Goering and Him-170

REICH CHANCELLOR

about by exploding shells. Leveling out of reach of the fire, they

, REICHSLEITER BORMANN AS PARTY MINISTER, REICH

MINISTER SEYSS-INQUART AS FOREIGN MINISTER. BY ORDER OF THE

could see the city being consumed far below, and they headed FUEHRER, THE TESTAMENT HAS BEEN SENT OUT OF BERLIN TO YOU, TO

for Ploen and German command headquarters, where both FIELD MARSHAL SCHOERNER, AND FOR PRESERVATION AND PUBLICATION.

von Greim and Reitsch met with Grand Admiral Doenitz.

REICHSLEITER BORMANN INTENDS TO GO TO YOU TODAY AND INFORM

On this same night an officer courier also left by ground route YOU OF THE SITUATION. TIME AND FORM OF ANNOUNCEMENT TO THE

with a special message for Field Marshal Keitel at Combined PRESS AND TO THE TROOPS IS LEFT TO YOU. CONFIRM RECEIPT.

GOEBBELS

General Staff Headquarters at Ploen: he carried Hitler's vale-dictory to the German armed forces. The remainder of April 29

It is noted that Bormann's name had been unintentionally was taken up with brief farewells to staff members. In the early omitted from the message at the receiving end by Doenitz's morning of the next day, Hitler, on Bormann's arm, left his cipher clerk.

office to bid goodbye to twenty women of the staff. Then he But one individual in the bunker was determined to live.

retired to his quarters and at 3:30 A.M. a single shot was heard.

Martin Bormann had remained unflaggingly loyal to Hitler to Those who rushed into the suite saw Hitler, dead from a bullet the end; through hard work and dedication he had gained per-through his mouth, and Eva Hitler, sitting in a chair, dead manent leadership of the National Socialist Party and of its from a poison capsule. It was their choice—capture and degrada-members and adherents in Germany and elsewhere in the world.

tion or self-inflicted death. Following instructions of hours be-It was his legacy from the Fuehrer. He had known that the fore by Hitler, SS guards bore the bodies up to the garden, Goebbels family had planned to die, and that Doenitz would doused them with gasoline, and set them aflame. The tragically leave office after surrender of the Third Reich. He was certain fated pair had learned what furious partisans had done to too that Seyss-Inquart, the Reich Commissioner for the Nether-Mussolini and his mistress, Clara Petacci: following the retreat lands who had succeeded von Ribbentrop as foreign minister, and surrender of German armed forces in northern Italy, the would not last the course; that he and he alone, Party Minister former dictator and his love were hanged upside down in a Bormann, would be left as leader, competent to command the Milano marketplace and pelted with stones.

global network of commerce he had painstakingly fostered.

Bormann dispatched two teletype messages to Flensburg: With this, Germany would move again into the forefront of GRAND ADMIRAL DOENITZ—

world economic leadership.

IN PLACE OF THE FORMER REICHSMARSHAL GOERING THE FUEHRER

At this moment Bormann's thoughts must have turned in-APPOINTS YOU, HERR GRAND MARSHAL, AS HIS SUCCESSOR. WRITTEN

ward. It was a time for introspection. He knew he had bested **AUTHORITY IS ON ITS WAY. YOU WILL IMMEDIATELY TAKE ALL SUCH**

his peers in one of the most grueling contests ever waged for **MEASURES AS THE SITUATION REQUIRES.**

BORMANN

control of the executive suite. Bormann had won out because of his Machiavellian proclivities, his attention to detail, his bru-

talities to those who opposed him. With Hitler always behind him and the unlimited power which this represented, it was **THE TESTAMENT IS IN FORCE. I WILL JOIN YOU AS SOON AS POSSIBLE.**

wise to step aside when the Reichsleiter made his moves, which **TILL THEN I RECOMMEND THAT PUBLICATION BE HELD UP.**

BORMANN

were always well planned and never made on the spur of the moment. As one example, Field Marshal Erwin Rommel, Hit-

A third teletype was received by Doenitz:

ler's famed general of the North African and French campaigns, told of a brush he had with Martin. Bormann during the Polish **THE FUEHRER DIED YESTERDAY AT 15.30 HOURS. TESTAMENT OF 29 APRIL**

campaign of 1939. When Warsaw fell on September 19, Hitler **APPOINTS YOU AS REICH PRESIDENT, REICH MINISTER DR. GOEBBELS AS**

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entered Danzig and broadcast to the Third Reich. Afterwards, He informed them of the escape plan and the designated order he drove on a sightseeing trip to the port of Gdynia. The entry of exodus. They were to move in compact groups through tun-was narrow and crowded and as the Hitler motorcade

apnels to the subway station in the Wilhelmsplatz, then to creep proached Erwin Rommel, as temporary traffic controller, per-along the tracks to the Friedrichstrasse station and surface to mitted only Hitler's car and one other to pass through the barri-the street, after which they were to make their way over the cades. The third car carried Reichsleiter Bormann, who was Weidendamm Bridge over the Spree, and to personal safety, furious at being denied entry with his Fuehrer. "I am head-to vanish among the general population. Instructing them all quarters commandant," Rommel told Bormann, "and you will to be ready by 11:00 P.M., Bormann dismissed them.

do what I say."

In the privacy of his office, Bormann finished his own plans Bormann waited five years, Rommel was to observe, to take for evading surrender and trial. He had discussed his intended his revenge. Following the German defeat in Normandy in total escape in detail on the night of April 28-29 with his close 1944, those in military command came under critical review confidant since 1941, Heinrich Mueller. Mueller was to become at Hitler's headquarters. When Rommel's record of hostility his security chief in South America; he was SS chief group to the regime came to Bormann's desk, and he remembered leader and senior general of the Waffen SS. During the siege of being snubbed in Gdynia, he scribbled on the margin of the Berlin, Mueller had not been quartered in the chancellery report which was to go to Hitler: "This confirms other, even bunker. Regularly, he went there to report to Bormann, always worse facts that have already reached me." It was the coup de returning to the Kurfuerstenstrasse building that Gestapo head-grâce for Rommel, who was later to be given his choice of death quarters had moved to after being bombed out of the Prinz-by cyanide capsule and a Field Marshal's funeral in Berlin, or Albrecht-Strasse offices. Its underground shelter was as safe as death by hanging and disgrace for his family.

Hitler's, and it had many advantages: secret rooms accessible As it became decision time for escape from the bunker, Bor-only through ingeniously disguised doors, water and electricity, mann gathered together the personal papers that remained on stores of food and medical supplies, and a radio transmitting his desk, everything else having long since been shipped in car-

room whose signal was powerful enough to reach Buenos Aires; tons via Munich to South America. He could hear a celebration also several tunnels leading to emergency exits. Here Mueller felt in the eating halls of the bunker: piano music, dancing, and at ease, able to plan with care the flight of Bormann and him-laughter as champagne was consumed, for with the death of self out of reach of any Allied or Russian captors, beyond the Hitler the tension had been broken, and there was the frenzy borders of Germany, once they had extricated themselves from of "What next?" for them all. In a way it was like the break-metropolitan Berlin.

down of other headquarters, as in Saigon years later, or in the Mueller's last visit to the Fuehrerbunker had been on the White House after the formalities of President Nixon's depar-night of April 28, when he had been summoned to interrogation, when the staff felt that the symbolic power generated by SS Gruppenfuehrer Hermann Fegelein, who represented Him-the executive branch had been turned off, disconnected. But in mler in the bunker, but who, long before had changed personal the Fuehrerbunker, of those who survived and made their allegiance to Hitler. To make the ties even closer, he had escape, many would later be rounded up by the Russians and married Eva Braun's sister, thus becoming in a way Hitler's sent to Moscow for imprisonment. The Soviet command didn't brother-in-law, if only for a brief time. On April 27 he had left know what to do with the bunker crowd, and prison, they reathe bunker for his residence in Charlottenburg, a fashionable soned, was as good a place as any until the Hilter-Bormann suburb. Suspicions within the bunker were at fever pitch, so situation could be sorted out.

when his absence was noted Hitler took it to mean that he had In the Fuehrerbunker, on the night of May 1, 1945, Bormann been involved in Himmler's personal peace plot, and sent two assembled the staff: high party officials, soldiers, women workers.

of his SS bodyguards to bring Fegelein back. Fegelein had as-174

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serted that he only wanted to live, not die; for this attitude, ward along the Invalidenstrasse in the direction of Stettiner he was stripped of all rank and

shot for desertion under fire and station. Here Artur Axmann caught up with them, later to marginal complicity in Himmler's treachery.

testify that he found both men outstretched on their backs, As Russian shells could be heard pounding the concrete moonlight on their faces (an odd description!), both dead. But structure overhead, Bormann and Mueller continued to plan the he admitted that he could not look at them closely; Russian fire details of their escape strategy. Bormann would move out had prevented it. He made his own way to safety, ultimately with the middle group, and Mueller would go back to his own reaching the Bavarian Alps.

headquarters, and from there leave promptly for Schleswig-Hol-Thus, there is a sole known witness to the alleged deaths, and stein, where the two would be reunited. They shook hands, and it is general belief in West German circles, as in the Israeli Mueller climbed the fifty steps of the emergency exit, then Mossad, that he falsified his testimony not only to protect crossed the chancellery gardens and disappeared into the night.

Martin Bormann in general, but also in direct obedience to the At about eleven o'clock, on the night of May 1, the first orders of SS General Heinrich "Gestapo" Mueller.

group moved through the exits and tunnels beneath Berlin. Bor-Eleven years later Professor Roper again examined the re-mann was in the center cluster. Once above ground, they saw vealed facts of the supposed demise of Martin Bormann, and their city in flames. Making their way to the Weidendamm stated that the evidence since had not altered his 1945 opinion.

Bridge, Bormann's group was hindered by a Soviet antitank barrier on the far side. They waited until German tanks appeared Even in 1945 I had three witnesses who independently claimed to and destroyed the barrier, moving forward with the tanks. These have accompanied Bormann in his attempted escape. One of these witnesses, Artur Axmann, claimed afterwards to have seen him dead.

few moments were absolutely critical in any historical discussion Whether we believe Axmann or not is entirely a matter of choice, of the fate of Martin Bormann; either he perished at this point for his work is unsupported by any

other testimony. . . . If he wished in time, or he didn't. This episode was aptly described by H.

to protect Bormann against further search, his natural course would Trevor Roper in The Last Days of Hitler: be to give false evidence of his death. This being so, I came, in 1945, to the only permissible conclusion, viz.: that Bormann had certainly A miscellaneous group including Bormann, Stumpfegger (Hitler's survived the tank explosion but had possibly, though by no means surgeon), Kempka (Hitler's driver), Beetz (Hitler's second pilot), certainly, been killed later that night. Such was the balance of Axmann (Hitler's Youth leader), Naumann (Goebbels' assistant), evidence in 1945. How far is it altered by the new evidence of 1956?

Schwaegermann (Goebbels' adjutant), and Rach (Goebbels'

The answer is, not at all. On the one hand both Kinge and Baur driver). Some of these passed the barrier with the leading tank and state that Bormann was killed in the tank explosion—or at least reached the Ziegelstrasse about three hundred yards ahead; but they say that they think he was killed, for, once again, they admit there was a Panzerfaust (anti-tank bazooka fire) falling upon the that the scene was confused and that they never saw the body.

tank, which caused a violent explosion. Beetz and Axmann were On the other hand, Mengershausen (an officer of Hitler's body-wounded; Kempka was knocked out and temporarily blinded; Bor-guard), declares firmly that Bormann was not killed in that explosion.

mann and Stumpfegger were thrown to the ground, perhaps uncon-He says that although Bormann was riding in a tank, it was not his scious, but escaped injury. The advance was frustrated, and the tank which was blown up. And further, another witness has turned parties retreated once more to the bridge.

up since 1945 who states that he was with Bormann after the explosion. This is a former S.S. Major Joachim Tiburtius, who, in Professor Roper, as representative of both British and Amer-1953, made a statement to a Swiss newspaper (Der Bund of Berne ican intelligence services in the investigation surrounding the on February 17, 1953). In the confusion after the explosion

Tibur-last recorded days of Hitler and Bormann, subsequently inter-tius says that he lost sight of Bormann, but afterwards he saw him viewed all surviving members of this group. His findings were again at the Hotel Atlas. "He had by then changed into civilian clothes. We pushed on together towards the Schiffbauerdamm that Bormann, along with Stumpfegger, made his way east-
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and the Albrechtstrasse. Then I finally lost sight of him. But he had three days, then left, this time headed for the British zone and as good a chance to escape as I had."

Flensburg.

In 1973 Roper wrote again in the New York Times: "I have The SS sergeant said that much later he had met up with my own reasons for thinking that Bormann may well have Bormann's companion of those fateful ten days; he assured him escaped to Italy and thence to South America."

that the party minister had made it safely through the British One source in West Germany, who has never been wrong in lines by following the Autobahn to the outskirts of Flensburg, his disclosures to me about Bormann and his people, then and where he was to make contact with Grand Admiral Doenitz.

now, told me he had met up with Bormann in the early hours Martin Bormann, in the interim, had met Heinrich Mueller, of May 2. Both having superficial wounds, they were being at-who had slipped out of Berlin earlier and was waiting in a pretended to in a German military first aid station at Konigswurst arranged safe house. Mueller told Bormann it would not be wise Erhausen, 20 kilometers southeast of the chancellery. This to meet with the new Reich president, who by now had carried Scharfuehrer of the Waffen SS, in his late teens, found himself out the unconditional surrender in both Rheims and Berlin. He seated alongside a familiar-looking, short, heavy-set man in a predicted a war crimes trial of all German leaders, and said that leather overcoat stripped of insignia. It was Martin Bormann; a Bormann would be inviting serious difficulty if he surfaced at shell fragment had injured his foot; he was resting after a doctor this particular time. Martin

Bormann secluded himself in a pri-had treated it. The young sergeant said to Bormann and vate German sanitarium in Schleswig-Holstein. The Gestapo Bormann's companion that he was on his way to the house of chief, taking on the security of the new party minister and of his his uncle, a Luftwaffe pilot who had been killed in Russia. They safe transportation to South America by assorted routes, made were joined by another officer who had been listening to their the exact plans that he would effect at precisely the right time.

conversation, and accompanied one another through the dark Mueller had already initiated a strategy of deception to ex-streets to the house at Berlin Dahlem, Fontanestre, 9, grateful plain his own disappearance from prominent circles in Berlin.

for the young man's offer of a temporary refuge. This former The week he slipped out of the German capital, his grieving German sergeant made the following statement to me as we sat family gathered for his "funeral." A coffin was borne to a ceme-on a public bench overlooking the Rhine, on April 18, 1971; tery where it was buried with appropriate ceremony. The grave he repeated it to me almost word for word in 1977: was marked with a headstone bearing the words "Our Dear Daddy," Mueller's name, his birthdate, and the date of his The house was vacant, but I knew where the key was, so we went alleged death in Berlin in 1945.

inside. Upstairs we changed into suits that were my uncle's. We ate, Several years following this incident, an editor of a German then slept. We stayed inside for the next three days. None of us news magazine, acting on an informer's tip generated by the dared to go outside, because members of the German communist master deceptionist Mueller himself, from South America, ob-underground, led by Walter Ulbricht, were walking the streets as tained a court order in 1963, and the grave was opened. When secret police for the Russians. After the third day, Reichsleiter the coffin in question was unearthed and opened, the editor and Bormann, the officer who was his companion, and the third officer decided to leave. The third officer went one way; Bormann and his the attending officials found three skeletons, none remotely friend headed northwest into Mecklenburg, to a place where they matching Heinrich Mueller's short and thick-set measurements, said other clothing, some gold, and various currencies had been or his markedly

prominent forehead.

secreted for this escape. They left at night; I stayed in the house.

A deception plan for Bormann had been completed by Muel-Two days later they came back. They had reached Neuruppin, 60

ler in Berlin. Tops in police work and crafty beyond imagining, kilometers northwest of Berlin, but had not been able to get through he provided for a matching skeleton and skull, complete with the Russian lines. They stayed on in the house with me for another identical dental work, for future forensic experts to ponder 178

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over and to reach conclusions that suited his purpose. Mueller To piece my information together: General Heinrich Mueller was a former inspector of detectives in the Munich police de-initiated his Bormann scheme during the waning months of the partment; he had been brought into the higher echelons of the war in the time frame when the Reichsleiter was moving to Gestapo by Reinhard Heydrich because of his professionalism transfer German assets to safe havens in other places. At Con-and brilliance. He had risen to the rank of SS chief group leader centration Camp Sachsenhausen he examined several inmates and senior general of the Waffen SS. The solution was elein the special elite group known as Sonderkommando, those who mentary; his motivation was protection and enhancement of the had been working in the German counterfeit operation of Brit-highest authority of the state. To this principle, Mueller had ish pound notes and of other currencies. Documents prepared been devoted for a decade as chief of police.

by them would also be used by SS men in their flight at war's His scheme of substituting a stand-in for Martin. Bormann's end (eventually, over 10,000 former German military made it body in the freight yards of Berlin was told to me three different to South America along escape routes ODESSA and Deutsche times by three different individuals. One was an agent whose Hilfsverein). The Sonderkommando, placed in a special context career was in the Secret Intelligence Service of the British For-within the camp, were treated as the skilled professionals they eign Office, one served the Federal

Republic of Germany, and were—engravers, documents specialists, and quality printers—

one was a member of Mossad, the exterior service of Israeli intel—who had been rounded up from occupied countries and put to ligence. The first tip came over dinner in 1947, in the U.S. press work for the Third Reich.

club in Frankfurt. It was the day I returned from Berlin and a Peter Edel Hirschweh, who participated in this special work personal meeting with General Lucius D. Clay, military gover-and survived, described it as follows:

nor of the U.S. Zone of Occupation. General Clay had offered me the position of his civilian deputy, but I had turned it down All of the inmates, without any exceptions, were Jews or descendants with some reluctance, preferring to remain a European reporter of mixed marriages. We were “bearers of secrets.” Even if those two qualifications had not alone been sufficient to classify us as a death for American newspapers. During the press club dinner, the command, we received additional confirmation and proof through British agent and I discussed the fascinating and bizarre disap-the following events: If some of the prisoners felt slightly ill, re-pearance of Reichsleiter Bormann; this source said flatly that ceived an injury on the finger (while engraving) or the like they Mueller had engineered Bormann’s escape, using the device of were taken to the doctor, heavily guarded, to receive treatment a concentration camp look-alike to throw future investigators off there; the physician was not allowed to talk to them at all. Persons the scent. Many years later, in 1973, on a visit to Bonn, a con—who were seriously ill were not allow to go to the infirmary, even if versation with one of General Gehlen’s aides in the Federal Re—they could be cured there. They were isolated in the washroom and public intelligence service confirmed the 1947 British tip. The if this did not help, they were liquidated, i.e., killed.

German stated: “The skull represented as Bormann’s is a fraud.

Naturally the West German government wishes to bury the past When Heinrich Mueller visited Sachsenhausen he walked and establish Bormann’s death once and for all. They have been through the engraving, printing, and document areas looking for constantly unsettled by continued revelations and scandals.” In any inmates who might resemble Bormann. In one he noticed

1978, an Israeli Mossad agent with a German specialization two individuals who did bear a resemblance in stature and facial said to me that they had never closed the Bormann file in Tel structure to the Reichsleiter. He had them placed in separate Aviv. "We know he is in South America. We are not very com-confinement. Thereupon a special dental room was made ready pelled to find him because he was never personally involved in for "treatment" of the two men. A party dentist was brought the 'final solution.'" The Israeli added: "Bormann's business in to work over and over again on the mouth of each man, until was business, and from what I know personally he did a thor-his teeth, real and artificial, matched precisely the Reichsleiter's.

ough job of shifting German assets away from the Third R eich."

In April 1945, upon completion of these alterations, the two 180

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victimized men were brought to the Kurfuerstenstrasse building man, acting on Mueller's orders, leaked the information to a to be held until needed. Dr. Blaschke had advised Mueller to use Stern magazine editor as part of a ploy to "prove" that Bormann live inmates to insure a believable aging process for dentures had died in the Berlin freight yard. The stand-ins for Bormann and gums; hence the need for several months of preparation.

were two unfortunates from Concentration Camp Sachsenhau-Exact dental fidelity was to play a major part in the identifi-sen, who had been killed gently in the Gestapo basement secret cation of Hitler's body by the invading Russians. It was to be of chambers with cyanide spray blown from a cigarette lighter (a significance in Frankfurt twenty-eight years later, when the killing device used later by the KGB in 1957 and 1959 against West German government staged a press conference to declare Lev Rebet and Stephen Bandera, two leaders of the Ukrainian that they had "found Bormann's skeleton proving he had died émigrés in Munich). At Gestapo headquarters, the night of in Berlin's freight yards May 1-2, 1945."

April 30, the bodies were taken by a special SS team to the Dr. Hugo Blaschke was the dentist who had served both Hitler freight yards near the

Weidendamm Bridge and buried not too and Bormann. He had offices in the fashionable professional deep beneath rubble in two different areas. The Gestapo squad area of Uhlanstrasse, but he always went to the chancellery for then made a hurried retreat from Berlin, joining their leader, SS

his two most important clients. Bormann had established a Senior General Heinrich Mueller, in Flensburg.

well-equipped dental office there, where Dr. Blaschke and his The funeral and burial caper was to be a Mueller trademark nurse, Fraulein Kaete Heusemann, would take care of the dental throughout the years of searching for Martin Bormann. The requirements of the Fuehrer and the Reichsleiter. The dental Mossad was to point out that they have been witnesses over the records for both were kept in the chancellery. When the Rus-years to the exhumation of six skeletons, two in Berlin and four sians had threatened Berlin, Dr. Blaschke prudently moved his in South America, purported to be that of Martin Bormann. All practice to Munich, but Fraulein Heusemann had stayed on.

turned out to be those of others, although in Frankfurt in 1973

Hitler's dental charts were never found, because Bormann had the dental technician, Fritz Echtmann, after years as a Russian removed them from the chancellery files. However, the Russians, prisoner, was to say that the dental work found in the skull of who had wanted complete identification of Hitler after the fall the skeleton declared to be the remains of Bormann resembled of Berlin, brought Fraulein Heusemann to Soviet headquarters.

those fillings he had worked on in 1944. Simon Wiesenthal, She had identified the dental fittings gathered in a cigar box as director of the Jewish Documentation Center in Vienna, had belonging to Adolf Hitler. This was confirmed by the dental been invited to Frankfurt by West German authorities who were technician, Fritz Echtmann, who had made the fittings for presenting the press event, with the CIA in the background. He Hitler on order of Dr. Blaschke.

said that, while the skull resembled Bormann's, he doubted it Once they had made the identifications, both were shipped was Bormann. Still, Heinrich

Mueller had done his job well, and off to Moscow, remaining there in prison so that they could not from South America he pointed the Bonn government's in-communicate with others for several years. They were classified vestigators through intermediaries toward this second planted by the Russians as among the chancellery group who had sur-Bormann skeleton. So my sources state; the fabrications of 1945

vived the bunker; they would spend years in Russian prisons continue to provide the party minister with his "passport to and slave camps until the Kremlin leaders decided how to han-freedom."

dle their public announcement of Hitler's death—suicide in the bunker, or escape to Spain and South America, as Stalin first The full surrender of all German forces was signed at Rheims, believed.

France, on May 7, 1945, and I was a witness to that historic In Bormann's case, the problem was more complex, more event. Reich President Doenitz had sent both Admiral von challenging. Yet under Mueller's skillful guidance, two bodies Friedeburg and General Alfred Jodl as his representatives to were planted; their discovery was made possible when an SS

General Eisenhower's Supreme Headquarters, Allied Expedi-182

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tionary Force, operating out of a red brick building that in At this instant, I intruded in Jodl's tightly controlled self-peacetime was a school for girls. The two German notables ar-possession, asking him, "General, did Martin Bormann make rived on May 6 for preliminary discussions. They played for it safely out of Berlin?" The Nazi leader, surprised at this query, time, knowing that each hour gained would enable their coun-replied readily and in a barely audible tone, "Of course. He is trymen on the Eastern Front to retreat further into Germany a natural survivor." Then he was gone, down the staircase, to until they could surrender to British or American forces. There the staff car outside that took them back to Grand Admiral was to be no separate surrender; it was now all or nothing, and Doenitz.

General Eisenhower had imposed a time limit of May 7 on the Germans for general and total capitulation. General Jodl re-Two days after this event, in the modest house on Fontan-ported to Doenitz: "General Eisenhower insists that we sign este, 9, Party Minister Martin Bormann was calculating how today. If not, the Allied fronts will be closed to persons seeking to slip through the British lines to Flensburg. Peril and uncer-to surrender individually. I see no alternative: chaos or signa-tainty surely would be ahead before he reached his destination—

ture. I ask you, to confirm to me immediately by wireless that Buenos Aires. He remained methodical and matter-of-fact as he I have full powers to sign capitulation."

planned his departure from Berlin, although only days before This authorization was duly received, and in a small lecture he had failed to penetrate the Russian lines to Schleswig-Hol-hall on the second floor of the school building, General Jodl stein. He believed firmly in his destiny and was convinced that signed the instrument of unconditional surrender, at 2:41 on the he would rendezvous with General Mueller in the safe house morning of May 7. Lieutenant General Bedell Smith signed on they had agreed upon.

behalf of General Eisenhower, the Supreme Allied Commander,

"It was early morning when Bormann left the house," related with British, French, and Russian officers as witnesses.

my Waffen SS source, who, as I said earlier, remained behind, After General Jodl had placed his signature on the docu-plotting his own best course. Only nineteen, he yearned to reach ments, he addressed the senior Allied officers present. He asked Bonn and look out for his widowed mother. He went on: "Bor-for a show of compassion to the German people, who had suf-mann was accompanied by the aide who had escaped with him fered so much during this war. No one spoke during his state-from the Fuehrerbunker the night of May 1-2, and both men ment, for those listening to the plea were professionals too and set off along the autobahn. Months later I happened to meet knew the shattering emotions that both former antagonists the aide in Frankfurt. He remarked, 'We passed through British were undergoing as they laid down the German sword and aulines without trouble, without even

being noticed, just another authorized the capitulation of their armed forces on land and on two shabbily dressed men. I left the party minister with General the high seas. Admiral von Friedeburg was later to take his life.

Mueller, and went back to Frankfurt.”’

General Jodl then rose and walked from the room, along a This SS source, one of so many I have talked with and ques-short hallway to General Eisenhower’s office. There he encountered, will not speak publicly of these matters even today. He feared the American general, grim and unsmiling as befitted the fears retribution from South America, and the present West occasion. Behind the Supreme Commander stood the ever-German government, which maintains a tight rein on any telling present Kay Summersby, driver and companion to the general in of the true Martin Bormann story. The experience of Quick

England, North Africa, and France. Jodl reported he had signed Magazine, a West German news weekly, testifies to that fact.

the instrument of surrender; Eisenhower asked him, “Do you The editor of Quick sent a five-man reporting team to South understand all that it means and the conditions you must carry America to do a Bormann story. When the reporting team re-out?” General Jodl nodded briskly, said “Ja,” saluted, and left turned to West Germany with a magazine series detailing Bor-the office of the Supreme Allied Commander. As he walked mann’s presence in Argentina and his continuing links with the along the hallway he was joined by Admiral von Friedeburg.

industrial and financial circles of the Ruhr, the series was 184

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squashed by the Bundesamt für Verfassungsschutz, the West German equivalent of the FBI. The reason given: “It was not in the national interest.” If the story were published, Quick

would be put out of business and the five reporters jailed. The matter had gone to the highest levels of government in Bonn where the decision had been

made. This SS veteran admires

“Fuehrer Bormann” and worked for him for a while in South America; but even so, were he to be indiscreet and draw attention to himself, he might be signing his own death warrant.

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FOUR MONTHS AFTER MARTIN BORMANN WENT

to ground in Schleswig-Holstein, the international authorities seeking to try Nazi leaders for war crimes and crimes against humanity decided (in August 1945) that the site of these military and civilian tribunals was to be Nuremberg. It was the first time in the history of modern warfare that those who gave the orders and were responsible for the particular aspect of genocide were to be brought before an international court of justice. Up until then it had generally been the middle and lower echelon officers and soldiers who had been made to suffer as retribution for aggression and atrocities, but now those at or near the top of the hierarchy stood before the bar. In Germany, by October 1945, 21 defendants had been brought to Nuremberg prison to await their trials. The twenty-second individual, Martin Bormann, was to be tried in absentia; the twenty-third, Robert Ley, Reichsleiter of the labor front which had also operated the forced-labor camps, a political opponent of Bormann for many years, committed suicide before the trials began.

The first Nuremberg trial dragged on for ten months before sentences were handed down. Ten Nazi leaders were sentenced to death, and went to the gallows in the small gymnasium of the prison. Foreign Minister Joachim von Ribbentrop was first to die; he was followed by Field Marshal Wilhelm Keitel, Ernst Kaltenbrunner, Alfred Rosenberg, Hans Frank, Wilhelm Frick,
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Julius Streicher, Fritz Sauckel, Alfred Jodl, and Arthur Seyss-and Nagasaki. The attack on Dresden was needless, ordered Inquart. Only two escaped, Reichsmarshal Hermann Goering personally by Winston Churchill over the

objections of his air and Party Minister Martin Bormann. Goering had gulped down marshal, who had demanded a written order from the Prime a cyanide capsule smuggled to him in his cell, leaving a farewell Minister before reluctantly giving a directive for the bombing.

message that death in this manner was preferable to the indignity of hanging. Certainly there was little dignity in the somber throughout the war, felt that such an act would pay dividends setting where ten former national leaders were put to death. The in his later dealings with the Soviet leader. But when aerial executions were accomplished with precision; the American photographs of Dresden's flaming destruction were sent by sergeant who presided over this macabre event said, "Hot damn, Churchill and reached Moscow, they were merely tossed aside 110 minutes, right on time!"

with a shrug by Stalin. The Russians too had their concentration But if one hardened sergeant was insensitive, there were those camps, Jewish pogroms, and slave labor and pursued wars of all over the Western world who spoke out against the trials and aggression against Finland, Poland, Estonia, Latvia, and continue to do so today. Prominent among the doubters was Tel-Lithuania, not to mention the other countries they had sucked up Ford Taylor, U.S. chief counsel at Nuremberg. Ten days before into the communist bloc. Inside Mother Russia itself, Stalin the executions of the German leaders, the late Senator Robert had sent uncounted Bolsheviks to the death cellars of Lubyanka A. Taft had condemned the trials and sentences. He strongly prison and the concentration camps. Throughout World War suggested that involuntary exile might have been wiser, more in II, the executions quietly went on; after the war they continued keeping with professed American values. He had said that the

—for instance, the anti-Semitic drive in Leningrad and the ex-trials, whose rules of law were formulated and enacted on the termination of the Jewish antifascist committee.

spot and then made retroactive, "violate the fundamental prin-In all theatres of war unspeakable brutalities had occurred, ciple of American law that a man cannot be tried under ex post from the 300,000 who died at Japanese hands in Nanking in facto statute. . . . Nuremberg was a blot on American

Consti-1937 to the unforgivable treatment of Allied soldiers in Japanese tutitional history, and a serious departure from our Anglo-Saxon prison camps. It was Russian troops who massacred 45,000

heritage of fair and equal treatment, a heritage which had rightly Polish prisoners of war in Katyn forest, dumping the bodies into made this country respected throughout the world. . . . About a mass grave. The reason? From these officers and soldiers would this whole judgment there is a spirit of vengeance, and ven-have come the opposition to communist rule in Poland in the geance is seldom justice. The hanging of men convicted will be years to come. Also, in the years to come, the United States was a blot on the American record which we shall long regret.”

to be diminished with the aggressions in Vietnam and such Taft further stated, “In these trials, we have accepted the atrocities as Son My and My Lai.

Russian idea of the purpose of the trials—government policy and The first Nuremberg trial should have been labeled for what not justice—with little relation to Anglo-Saxon heritage. By it was: an-eye-for-an-eye vengeance for the crime of racial ex-clothing policy in the forms of legal procedure, we may discredit termination. If it had been so labeled, the spirit behind Nurem-the whole idea of justice in Europe for years to come.”

berg would have been understandable, not conflicting with the The Nuremberg Trials were man’s first fumbling attempts to issues of legality and justice so troubling to many leaders of outlaw war, and their legality was obscure, their morality con-jurisprudence in the United States and Europe. The four Nazis fused. The Allies knew that they too had been guilty of war most directly responsible for the decision to invoke racial geno-crimes. Dresden, for example, was consumed by flames caused cide were Hitler, Goering, Himmler, and Heydrich, and all had by Allied firebombing, a city open and undefended. Several hun-died before the ten other officials took their final walk to the dred thousand civilians perished, more than those who died from gallows. During the ten months of trial, the 21 defendants who the American atomic bombs later to be dropped on Hiroshima sat in the dock at Nuremberg being tried for their part in wars 190



of aggression were no more unprepossessing than their Allied counterparts might have been had they lost the war and found themselves awaiting trial and sentencing. Leadership on both sides was represented by educated academics, administrators, and military notables who saw to it that the war

kept moving along. Still, Nuremberg was a landmark, and if it did not halt the proliferation of wars it reinforced the international principle that there are standards of human behavior all nations should adhere to.

As the first trial was concluded, with sentences pronounced and carried out on the 21 defendants, the twenty-second was stirring in his bolthole. Martin Bormann had been moved from Schleswig-Holstein to a safe house in Denmark by his security chief, Heinrich Mueller. The party minister had been tried in absentia at Nuremberg; while found not guilty on charges of crimes against peace, for he had not been one of the early plot-ers of war, he had been found guilty as charged of war crimes and crimes against humanity. Bormann believed he was not guilty on any of the counts; but he also knew that disappearing was the only course, else he too would have been hanged until dead in the gymnasium of Nuremberg prison.

Martin Bormann became the object of history's greatest manhunt. At least one thousand Allied intelligence officers, representing Great Britain, the United States, France, and Russia, were on his trail, together with an uncounted number of informers who coveted the reward offered for information leading to his capture. But Heinrich Mueller had strung an invisible, impenetrable defense between Bormann and those who sought him. Select units of the Gestapo continued to function, unofficially, and those who now reported directly to Mueller, under suspicion of surviving Berlin and therefore also a subject of search, were among the best secret police agents of the SS. Out of uniform, they continued to draw pay and expenses from their paymaster, representing Mueller, from SS funds held in a numbered account in a Swiss bank. As the search for Bormann went from hot to cold to hot, Mueller continued to move the Party Minister around, back and forth between Schleswig-Holstein and Denmark, but staying clear of major cities such as Hamburg.

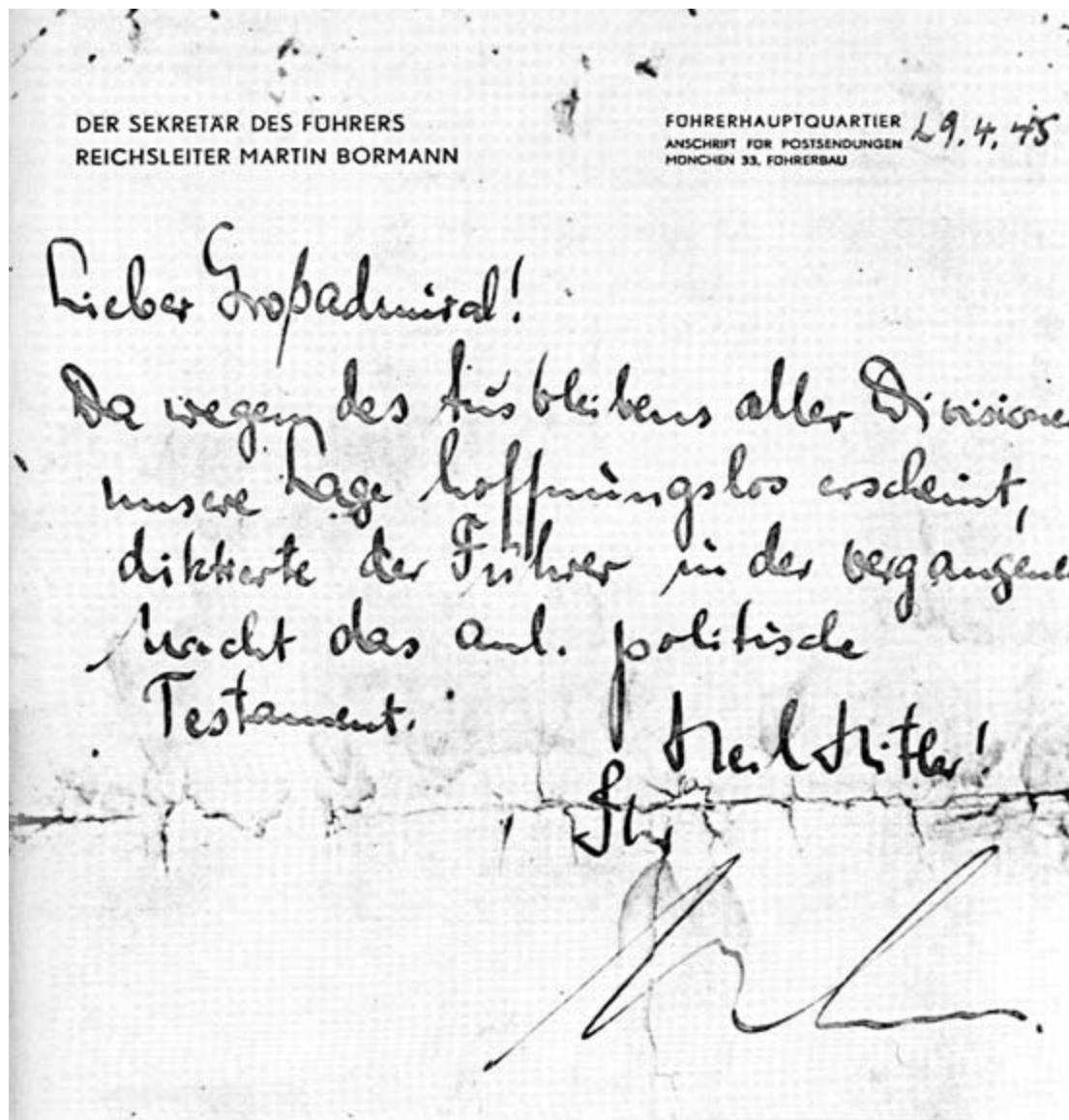
Mueller had a network of loyal informers, SS men who had reHans Bernd Gisevius giving testimony at the Nuremberg trials. Gisevius, turned to their peacetime positions on German police forces at a leader of the German underground during World War II, was also a double agent for the OSS. He was Allen Dulles's pipeline to Admiral 192

Canaris, chief of the German Foreign Intelligence Service (Abwehr) until

1944 who himself served as a high level British informer during most of the Second World War.







Allen Welsh Dulles as he looked when serving as President Roosevelt's personal emissary to Switzerland. He ran the Office of Strategic Services (forerunner of the CIA) into Germany and on the continent from his head-

quarters in Berne.

*Hermann Schmitz, pictured at the
zenith of his career as president and
chief executive officer of I. G, Farben,
which was Germany's greatest source
of foreign income during the Hitler
years. Schmitz was a confidant and
adviser to Martin Bormann. He was
the principal architect of Farben's*

*Bormann's capitulation message to Grand Admiral Doenitz, program of
camouflaging its vast oversent on April 29, 1945. It reads: "Dear Grand
Admiral! Since seas holdings under Bormann's direc-all our divisions failed
to appear, our situation seems to be tive to find safe havens for German*

*beyond hope. The Fuehrer dictated the attached political capital. During the
period when Nazi*

testament last night. Heil Hitler! Bormann."

excesses against Jews accelerated,

*Hermann Schmitz found places for
I. G. Farben Jewish corporate officials
and lesser staff members in Farben's
foreign offices, particularly in South
America.*

Auslands-Ausweis

Lfd. Nr. 37370 *

Gültig bis 31.12.36.

Name: Baumann, J. Hans

geb. am: 21.4.97 in: Wiesent

Mitglieds-Nummer: 3657242 Eintr.: 1.5.35.

Überwiesen von:

Nach (Land): Kolumbien

(Stadt): Medellin

Berlin W 35, 31.7.1935
Tiergartenstraße 4

**Nationalsozialistische
Deutsche Arbeiterpartei
Auslands-Organisation**



Leiter der Auslands-Org.

Mitgliedsbücher und Mitgliedskarten
sind im Ausland nur gültig in Ver-
bindung mit dieser Hölle, die
das Visum der Auslands-Orga-
nisation trägt.

JOHN EDGAR HOOVER
DIRECTOR

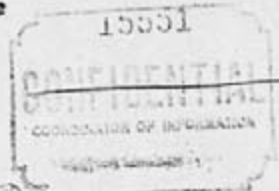


**Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.**

Date: * APR 27 1947

To: Colonel William J. Donovan
Coordinator of Information

PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER



From: J. Edgar Hoover - Director, Federal Bureau of Investigation

Subject: Hans (Juan) Baumann

As of possible interest to you, there is being attached hereto a memorandum concerning one Hans (Juan) Baumann, a Salesian priest, believed presently to be located at Cali, Colombia, and carrying on activities in connection with an espionage ring which utilizes the facilities of a clandestine radio station, PTL, in or near Santiago, Chile. In connection with Baumann there is being attached also a photostatic copy of the party book of Hans Baumann indicating membership in the Auslands-Ausweis organization. The information concerning Baumann has been secured from a confidential, reliable source.

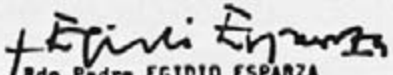
Enclosure

COPI 0.13.1
COPI, Col 7.15
COPI, Col 6.23
PTL, Chile 8.13

JUAN DOMINGO PERON SOSA, hace entrega al
Vice fuhuez MARTIN BORMAN, la cuarta parte de los siguientes bienes:

**Central de Inteligencia
MARTIN BORMANN**

En marcos oro	187.692.400,=
En dólares	17.576.386,=
En libras esterlinas	4.632.500,=
En francos suizos	24.976.442,=
En florines holandeses	8.379.000,=
En francos belgas	17.280.009,=
En francos franceses	54.968.000,=
En platino Kg.	87,=
En oro Kg.	2.511,=
En Diamantes y Brillantes Kilates	4.638,=


 Rdo. Padre EGIDIO ESPANZA
 JEFE ACCIDENTAL A.I.C.A.

COPIA F.I.E.

The Nazi travel permit of Salesian priest Hans (Juan) Baumann, from the files of the FBI. Baumann, a friend of Hitler and Bormann, was described in 1942 by J. Edgar Hoover as a “very dangerous Nazi.”

(Below) A confidential memo dated April 27, 1942, from J. Edgar Hoover to Colonel William J. Donovan, then Coordinator of Information, indicating

*that Hans (Juan) Baumann headed a
Nazi espionage ring in Colombia.*

A rare financial document of a joint bank account shared by Bormann and Peron in the Deutsche Bank of Buenos Aires, from the files of Central de Inteligencia of the Argentina secret police of the Ministerio del Interior.

Martin Bormann had bank accounts in many cities, among them Berlin, Zurich, Buenos Aires and New York, when he served Hitler and Germany as Reichsleiter. His present account in the Deutsche Bank of Buenos Aires dates back to 1941, when he began transferring funds through his personal account to Juan and Eva Peron. Even then he regarded Argentina as the most likely sanctuary for himself and Hitler, if Germany collapsed. But it was necessary to sweeten the growing relationship with the Perons with a flow of money that reached a total of \$100.000.000 by 1955 when Juan Peron was forced into exile, first in Panama and then Madrid.







Martin Bormann's eldest son. Adolph, emerging from a Bavarian hospital after being nearly killed by a six-ton truck. Adolph resigned from the Jesuit order after being denied a parish in South America by the Vatican. He is married to Cordula, a former nun.

Both now live and work in Bolivia.

(Below) Hermann Schmitz, president of I.G. Farben, being sentenced to four years in prison at the Nuremberg trials for his participation in the plundering of industries in Nazi occupied territories. The trial of the Farben officials ran for nearly a year and ended on July 29, 1948.

The author (left) discussing the West German economy with Dr. Hermann J. Abs, 83 years old, now Honorary President of Deutsche Bank A.G., at a luncheon in New York City.



both local and national levels. The movement of “enemy forces,” as they described Allied agents, served Bormann and Mueller as an early warning system.

Bormann took all these precautions in stride, comfortable in.

the knowledge that his security was in the hands of top professionals, and concentrated on his immediate tasks at hand, much as he had during the final days in the Fuehrerbunker. Wherever positioned, he turned his hiding place into a party headquarters, and was in command of everything save security. Telephones were too dangerous, but he had couriers to bear documents to Sweden, where a Bormann commercial headquarters was maintained in Malmo to handle the affairs of a complex and growing postwar business empire. From Malmo high-frequency radio could transmit in 30-second bursts enough coded information to listening posts in Switzerland, Spain, or Argentina to form a continuous line of instructions.

Meanwhile, General Mueller was taking steps to establish escape routes for officers and soldiers of the SS who wanted to leave Germany to start a new life in South America. Some were listed by the Nuremberg authorities as war criminals; most were not. But they had in common the desire to begin again—far away. Mueller talked over his plans with Bormann. The first route considered was referred to as Organization der ehemaligen SS-Angehörigen—Organization of former SS members—and thus became known as ODESSA. Mueller estimated the annual cost of this operation, and Bormann, ever the banker, suggested that ODESSA be set up as a corporation and funded accordingly.

The prime purpose of this corporation was to move SS men out of Germany to South America, or to the Middle East if they preferred it that way. To amortize the heavy cost, Bormann suggested the corporation also assume functions that would make ODESSA self-liquidating, at a profit.

As ODESSA would not operate as an escape route for much more than five years, Bormann suggested that the SS administrators picked to coordinate and supervise the route also keep their eyes peeled for quick-money opportunities, with a view to returning the initial investment and having ODESSA operating in the black. Bormann suggested that surplus arms was a likely Paul Manning when he was a CBS News correspondent in Europe during World War II.

field of opportunity, and as usual he was right. One British scrap dealer had become a millionaire in one year buying up old tanks, 193

trucks, and assorted guns; selling some as scrap, reconditioning weeks a Jewish airfield. Here two C-54 cargo planes flown by others for sale on the arms black market of those days. The American contract pilots touched down, and Czech mechanics British government began selling its surpluses openly. Other dismantled the fighter planes and stowed them into the big munitions dealers blossomed into prosperity and respectability cargo aircraft, which thereupon took off for an airfield close by as they bid low for high-cost items.

Tel Aviv. The operation was repeated many times over, until all But none were to achieve the profitability of ODESSA, whose ten fighters had been transported to Israel. The success of the agents ranged throughout Europe and even behind the Iron airlift convinced David Ben-Gurion, who was to become the Curtain. They bought and sold surplus American arms to Arab first prime minister of Israel, that the option taken on 15 more buyers seeking to strengthen the military capabilities of Egypt planes should be exercised.

and other Middle Eastern Arab nations. Palestine was to be But money was short, and the ODESSA representatives had partitioned into a Jewish homeland, and they intended to to be paid immediately, else the delicate negotiations hanging destroy it at birth. But now Jewish buyers, funded from America fire behind this Iron Curtain country would disintegrate. The and elsewhere, entered the marketplace. They were barred from Moscow representatives were becoming edgy, the Czechs who purchasing guns and American surplus P-51 Mustang fighter were fronting the negotiations were wondering when Russia planes by President Truman, and their only recourse for survival might change its mind and wreak retribution on them, and the was to trade on the European black market, which, unknown to fellows from Germany felt that if there was undue delay the them, was coming rapidly under the control of ODESSA agents.

deal would collapse and they would go down with it. An appeal However, the Jewish agency's buyers might have purchased from for quick money was made by the Jewish buyers to Teddy the devil himself if it meant survival of the small, defenseless Kol ek, in New York, the operational chief of the Jewish groups nation, just come into being on May 14, 1947. The first pur-in the United States. (Kollek, incidentally, was much later to chase they made was in Czechoslovakia: 4,300 rifles, 200 medium become mayor of

Jerusalem-in 1965.) He went to Manhasset machine guns with ammunition. Also acquired were ten surplus on Long Island and met with William Levitt, the famed builder Messerschmitt-109 fighter planes for \$44,000 each, which in-of many suburban Levittowns. "We need money," Kollek said.

cluded some spare parts, cannon, machine guns, bombs, and

"I can't tell you what it's for because it's top secret. But if you assorted ammunition. ODESSA agents handled this transaction lend us the money, the Provisional Government of the State of in Prague, with the tacit permission of Moscow, which was to Israel will give you a note and pay you back in a year."

sponsor Israel as a homeland for Jews in the United Nations.

"So," Levitt recalls, "I said O.K., and I gave him the million Russia wanted British influence dissipated in the Middle East, dollars."

and one way to do this was to get their foot in the door of the At their hotel in Zatac, renamed the Hotel Stalingrad, the air new Israel. Hence their sub rosa cooperation in Prague. The crews waited for news. It arrived, and during the ensuing days German agents wanted only to serve as "honest brokers" in an of feverish activity on the airstrip, the 15 Messerschmitt-109s international arms deal.

were flown out of Zatac under the code "Operation Balak," or With the German fighter plane deal consummated, it was up

"Son of Bird," a Hebrew historical reference. Egyptian forces to the Jewish buyers to get the planes to their new homeland.

in brigade strength advanced on Tel Aviv in 1947, but were Messerschmitts have a range of only 400 miles, so flying them halted 25 miles from the new capital by the sudden appearance down to Palestine was out of the question. They might have of Messerschmitt fighter planes that strafed and bombed their refueled in Yugoslavia and Greece, but the British were being columns, and by artillery fire from 65-mm mountain guns sticky about transport of unauthorized arms, and closed down bought from Nazi stockpiles and

shipped clandestinely from this possibility. As a result, a former German airbase near the Marseilles. The danger of a quick Egyptian victory had been Sudetenland town of Zatac (formerly Saaz) became for a few cut short; the new State of Israel would survive.

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But would Martin Bormann survive if he left his modest sanc-nationalities making their way home, more than a million Ger-tuary in northwest Germany? The administrators of ODESSA, man families from the East fleeing before the Red Army into aside from their role as short-term munitions merchants that western Germany. The Wehrmacht had disintegrated into long they were later to segue into other commercial activities, were columns of prisoners walking toward prisoner-of-war camps.

confident that they could get Party Minister Bormann right Mass chaos had characterized 1945, but now in the winter and across Germany to Munich and over the Alps to Genoa. They spring of 1946 some order appeared; however, plodding men had already moved several thousand SS men by this under-and women, Red Cross vehicles, and fast-driving U.S. Army ground railroad, and thus far everything had gone according to trucks were familiar sights in the area beyond Munich. The two schedule. "Safe houses" had been established along the route, men made their way up mountain roads and across valleys, and and the travelers always arrived and departed on time. By the no attention was paid to them by the civilians trying to farm time the first Nuremberg trial had ended in early 1946, Bor-their patches or cut firewood in the forests.

mann was ready for progress. General Mueller had him con-Bormann and his companion crossed the Inn River, and were veyed to another safe house near Domstedt. Griesheim-guided by local SS mountaineers to the Alpine village of Naud-Domstedt was and still is the publishing center for the U.S.

ers, where the Austrian, Swiss, and Italian frontiers meet. The Army's Stars & Stripes newspaper for Europe. The late editions two rested in a safe house for several days, then set out on the go to press at midnight, and shortly

thereafter trucks, operated next stage of the journey, which took them through Val di exclusively by the Stars & Stripes command, line up for their Adige and down to the green forestlands that line Lake Gardia.

bundles of newspapers that must be distributed by morning to Here they halted for rest in the monastery overlooking the lake, all U.S. Army bases. In 1946 it was a simple matter for Mueller feeling relatively safe. After a time they pushed on to a Fran-to arrange for Bormann to be a casual passenger aboard such a ciscan monastery in Genoa, where arrangements to receive them truck, which halted briefly as it turned out of the publishing had been made by Heinrich Mueller.

plant and picked him up. Accelerating, it turned onto the Auto-New identification papers were handed to Bormann, together bahn, then drove straight to Munich. Just before reaching U.S.

with the welcome news that in a matter of days he would be Army headquarters, the German driver slowed to a stop and sailing to Spain. When he left the Franciscan monastery in Bormann jumped out, disappearing into the downtown area of Genoa and boarded a small Mediterranean steamer, his first the city. He reached a safe house, where his brother Albert had stop was the port of Tarragona, to the south of Barcelona. It been waiting; they remained there quietly, awaiting further was night when the small vessel put into port, debarked the instructions.

passenger, and steamed from the harbor. Bormann was met by Bormann left Munich with an SS companion and guide, by two of Mueller's SS men, who promptly drove the party min-automobile provided by a German mayor who was able to get ister along the coast to Vendrell, where they picked up the rationed gasoline. In the pastoral uplands of Bavaria they parked auto route and headed inland. It was the purest scenic beauty the car at a previously agreed-on point, so the mayor could that Bormann saw as they drove swiftly, with no stops other fetch it and drive it back. Bormann had been advised that it than to refill the gas tank from jerry cans they carried. They was best to travel on foot beyond this point in order to avoid risked no appearance in a public place. Somewhat across the interception and interrogation by U.S. CIC patrols. So the pair neck of Spain they turned off at Todela, and continued over took to the countryside on foot and headed toward the

Austrian good secondary roads until the mountainous area of Logrono Tirol. Their appearance was quite commonplace; few gave them was reached. They passed Najera, then finally reached their more than a glance. The spring before millions of refugees and destination, the Dominican monastery of San Domingo, which displaced persons had swarmed across Germany, prisoners of all stands in the Province of Galicia, once called home by General 196

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Franco. Preparations had been made for an indefinite stay. Bor-separate from that controlled directly by Bormann, although SS

mann thanked his SS comrades, and they stood erect and and party money sent to South America had been melded into saluted as in the past; then they departed.

one solid treasure and the bank accounts that required Bor-The route to freedom taken by Bormann was not exactly that mann's approval at a later date produced friction between of other SS escapees. His clandestine departure from Germany Bormann and Mueller, for in times to come distribution of had been calculated according to his special needs by Mueller, money was a prime matter on the NSDAP agenda in South with SS men in civilian clothes positioned all along the way.

America.

They were the advance lookouts, sworn to the protection of With the war in Europe at an end, the struggle for Indochina their Party Minister, the duly appointed successor to Adolf flared up, and the French began recruiting unemployed German Hitler. At no time in his trek between Munich and Genoa was soldiers for their armies in the land later to be known as Viet-Bormann out of sight of the finest riflemen the Waffen SS had nam. In the chaos of 1945 the only negotiable skill many a developed in six years of war. They manned the safe houses, German ex-soldier had was training in warfare. The French they skied the ridges overlooking the valleys to be traversed by were in the market for that, and set up recruiting stations in Bormann, and they were chopping wood or hiking deep in the Metz for their Foreign Legion. Former German soldiers flocked pine forests as the two

trudged on toward safety. The paths to sign up for a stretch of soldiering in French Indochina. The followed by other SS members on the ODESSA route always situation was exactly right for General Mueller and his associ-~~led~~ toward the Austrian Tirol; the precise route into Italy deates. They intermingled their SS veterans with the ordinary pended on the time of year and the pattern of search being Wehrmacht recruits; thus, on every French truck headed south conducted by Allied patrols at any particular time. Once in in convoy were many SS men. All had new papers provided by Genoa, the flow of former SS comrades was directed toward the the SS documentation section, and now they also carried French harbor, where they would board boats of various descriptions.

enlistment papers that enabled them to cross France with im-When a captain had a full consignment, he would lift anchor punity. The truck convoys would go to Bordeaux or Marseilles, on his chartered boat and head for the Straits of Gibraltar.

depending on French shipping conditions, the ultimate destina-Once through the British bastion he changed course and tion being North Africa, where training would begin. However, steamed slowly along the Portuguese coast, rounding the north-once in either of the French port cities, the SS men would skip west part of the Iberian peninsula at Cape Ortegal, at last away from the truck convoys and be guided by French police-dropping anchor in the beautiful harbor of San Sebastian, where men to a new departure point. These were the police who had his cargo of SS emigrants would file ashore. It was a short voy-worked during four years of occupation for Mueller and the age, which was repeated by many vessels many, many times, for Gestapo and they were still loyal, particularly so when the effort the flow of SS men was seemingly unending.

expended was minimal and the under-the-table pay was high.

General Mueller had a second major escape route, which took If a Foreign Legion truck convoy was destined for Bordeaux, the some of the pressure off the above described course. ODESSA SS men would be guided over the Pyrenees, and through coastal had the notoriety and the spotlight of sorts, also the status of a towns to San Sebastian. If the destination, on the other hand, commercial self-liquidating corporation, but another version of was

Marseilles, they would be placed aboard small fishing boats this underground railway ran across France and over the Pyr-that would round the Iberian peninsula and land them at San enees. It was referred to as Deutsche Hilfsverein —German Re-Sebastian, the terminal point for both ODESSA and Deutsche lief Organization—and, although it had been set up hurriedly in Hilfsverein. Here they waited for the next stage of their move-1945, it performed an enormously valuable service for the SS

ment, which was overland to the small port of Vigo on the men who traversed it. It was not self-liquidating like ODESSA, northwest coast of Spain, due west of Redondela. It was an and the money to run it came directly from SS funds, a source emotional sight for SS men awaiting departure to see on the 198

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horizon the appearance of the chartered transatlantic freighters Mueller, on the job only three days, immediately told Lieuten-that were to bear them to exile in Buenos Aires. Ten thousand ant Eichmann that the Jewish desk was his permanent SS officers and soldiers passed along this way. But the number assignment, then left for lunch, relieved, and very pleased with of Germans who went to South America, both along these two this turn of events.

routes and by less organized means after Martin Bormann had Adolf Eichmann in 1950 did not use the port of Vigo to declared his flight capital program in August 1944, totaled escape. That means had wound down, and he set sail for Argen-60,000, including scientists and administrators at all levels, as tina on the Italian ship Giovanna C. , arriving in Buenos Aires well as the former SS soldiers commanded by General Mueller.

in the middle of July 1950. Unlike many fleeing Nazis, he The most unsavory SS officer to take advantage of ODESSA reached Argentina with scant funds. He went from job to job, was Adolf Eichmann. It was in 1950 that he made contact with after running a laundry in the Olivas quarter of Buenos Aires the organization, which saw that he reached Genoa safely; here that shortly went bankrupt. Through his Nazi connections he he received a refugee passport in the name of Ricardo Klement obtained a position with the German banking firm of Fuldner y along with a visa for Argentina. The

Nuremberg Trials had Compañía, at 374 Avenida Córdoba in Buenos Aires. This firm thoroughly frightened him. He testified later, "My name was had established a subsidiary known as CAPRI—Industrial Plan-mentioned several times there, and I was afraid there might be ning and Development Company —to develop hydroelectric more thorough investigations which would reveal my identity.

power in the Tucumán region in the outskirts of Buenos Aires, I became particularly alarmed after Dieter Wisliceny's testi-and Eichman was transferred there. From Austria his wife Vera mony, which leveled all kinds of accusations against me." Eich-and their three sons joined him in 1952; a fourth son was born mann had been taken prisoner of war by American soldiers at in Argentina. A friend of Eichman/Klement who knew his real the beginning of August 1945, giving his name as Waffen SS

identity prodded him to shift to Bolivia and work for the state officer Otto Echmann. With his true name receiving such security services in that country. Eichmann is said to have re-prominence at Nuremberg, Eichmann spoke with Lieutenant sponded, "When I hear those words 'state security services,' my Colonel Offenbach, senior German officer of the prisoners of appetite for killing is whetted all over again." In 1960 he was war. Eichmann requested authority to escape, and a meeting captured at dusk outside his modest house in the San Fernando of officers was called to deliberate this; they approved it. They district of Buenos Aires by the feared Mossad, and transported helped Eichmann by giving him new identification papers in on an El Al passenger plane to Tel Aviv, there to stand trial at the name of Otto Heninger, and one of the officers handed him last for crimes against humanity. After imposition of the death a note to his brother in Kulmbach, recommending that he find penalty, his remains were cremated, with the ashes scattered Eichmann a job in forestry. Eichmann escaped and arrived in over the Mediterranean. He had confided to Israeli interrogators Celle early in March 1946, where he stayed, working as a that he assumed his presence in South America had been leaked, forester for four years. But his name was continually mentioned that he had been betrayed to distract attention from the pur-as the monstrosity of his crimes emerged. An odd sidebar to this suit of higher-ups, and it is likely that he was right, for his bit of sad history is the fact that Heinrich Mueller, who had continuing notoriety in the newspapers

of the world was dis- been recruited into the Gestapo by Reinhard Heydrich from his concerting to Nazi leadership in South America. They were position as inspector of detectives in Munich, had first been leading a well-ordered life, and wanted to keep it that way.

assigned to the Jewish desk in Berlin. Mueller was a professional During the uproar in 1960 and the trial that followed in Tel detective and wanted no part of the Jewish problem. He was Aviv, there was considerable friction between the Jewish and working in his modest office in Gestapo headquarters when this German communities in Buenos Aires, but it finally tapered self-effacing lieutenant entered who had recently been assigned off, with a mutually accepted feeling that it had all been for the to the Gestapo and was looking around for something to do.

best.

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But back in early 1947 a German of immense notoriety and was to stay once ashore. Some were dispatched to rooming importance waited his voyage to freedom. Martin Bormann, in houses and others to obscure hotels, while still others traveled the Dominican monastery of San Domingo, chafed under the by public transportation to inland cities and towns, or even to constraint. Finally, the ship arrived to take him to South Amer- adjoining countries. Jobs had been found for all, either in the ica, and he made his way at night to the harbor of Vigo. A companies Bormann had established in 1944 and 1945 or in rather sizeable freighter had been loaded with produce and older German corporations that had been doing business in other foodstuffs of Spain and with the most recent contingent Latin America for a number of years. All those who debarked of fleeing SS men. The last aboard was Party Minister Bormann, from the vessel either had with them or were issued a modest who went directly to the modest suite reserved for him. He sum of cash, sufficient to carry them until the first payday. None watched the hills of Spain recede in the distance, and thought of them actually saw Bormann on the ship, save for the captain wistfully that this was the last view he might ever have of the and several Nazi VIPs who came aboard the night of arrival.

European continent. Certainly he would not be returning to this Their reception was warm and friendly, and the local NSDAP

province of Galicia, where many fascists who had fled France leaders knew that they were speaking with the official successor and Belgium now resided in exile, such as Leon Degrelle, once to Adolf Hitler, the Party Minister and Reichsleiter whose orthe leader of the movement “Rex,” who dwelled in a house in ders they would obey implicitly in the years ahead.

the mountains of Asturi, overlooking San Sebastian.

A strange footnote to the true tale of Bormann’s stay in the Martin Bormann entered a country with a political climate Dominican monastery of San Domingo is the suspect fire that favorable to him. Argentina had been under the dictatorial gov-destroyed the archives in 1969. Mueller, ever the supercautious ernance of Juan Perón ever since he and his associates had been protector, became aware that Israeli agents were backtracking victorious in a historic coup on June 4, 1943; then, in June 1947, Bormann’s escape route. I have been told they wanted to dis-he was voted by an overwhelming majority into power, despite cover what Catholic priests and bishops might have aided Bor-the intense and overt opposition of the United States. He was mann in his escape, intending to use this information to to be driven from the presidency and from Argentina in Sep-embarrass the Vatican. The only evidence of record that Bor-tember 1955, but in the interim years he did more for the ordi-mann had been sheltered in this Dominican monastery was the nary man, the “shirtless ones,” than had any leader in Argentine Book of Visitors he had signed the night he arrived. Twenty-history. While doing all this good he banked an illicitly derived three years later fire broke out in the very shelves where this fortune in Switzerland, estimated by reliable sources as around book was kept, and all was burned up.

\$500 million, of which around \$100 million was thanks to the When the large freighter carrying Bormann and a contingent Bormann organization. He was a charismatic figure, as presi-of SS officers and soldiers steamed into the harbor of Buenos dent and in exile in Madrid, and was returned to power in 1973, Aires in the winter of 1947, the anchor was dropped in the a year before his death in 1974. In this country of 22 million, waters of the south

quay near Riachuelo, one of the tributaries Italy and Spain have contributed the most immigrants, followed of the La Plata, named by the conquistadores for what it means, by Britain, Poland, France, Russia, and Germany. There are

“silver.” The ship did not come close to the piers, where enormous cranes and swarming dockworkers unload cargoes, but as was the British who achieved economic dominance, at least undusk fell a small fleet of boats began ferrying the passengers till Perón came to power, investing as they did in shipping, bank and their belongings to shore. At sea, each SS man had been in, insurance, and the railways. British influence declined under supplied with new identity cards, courtesy of the skilled Perón. He expropriated the British-owned railways, paying £150

gravers of Concentration Camp Sachsenhausen, passports bear million, bought out American telephone interests for \$100 million appropriate visas, and written instructions as to where each lion, and nationalized the airlines, shipping, and local trans-202

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portation. As British influence declined, German authority with his approval. You may inform him of your wishes directly increased. Peron was for Adolf Hitler all the way, believing until or through me, as you prefer.”

the last that the Axis powers would win the war. His private The presidential authorization was given, and John Edgar secretary was German, the son of a Nazi, and throughout his Hoover assigned the investigation to his most experienced and time of power he felt most at ease with Germans. Because of skillful agent in South America, who proved that he was just his admiration of Hitler, he learned German while a young that by eventually obtaining copies of the Martin Bormann file military attaché in Italy: his purpose was to be able to read that were being held under strict secrecy by Argentina's Min-Mein Kampf in the original.

ister of the Interior in the Central de Intelligencia. When the The influx of German industry and investment boosted the file (now in my possession) was

received at FBI headquarters, Argentine economy, and the new German money flowing into it revealed that the Reichsleiter had indeed been tracked the German-controlled banks in Buenos Aires for safekeeping for years. One report covered his whereabouts from 1948 to 1961, and profitable investment under the Bormann flight capital in Argentina, Paraguay, Brazil and Chile. The file revealed that program indicated to Peron that a new prosperity lay ahead for he had been banking under his own name from his office in his country. The arrival of Martin Bormann in person was an Germany in Deutsche Bank of Buenos Aires since 1941; that event of significance to him, and in low-key meetings with Hitler held one joint account with the Argentinian dictator Juan Peron's successor both agreed to work for the development of a Peron, and on August 4, 5, and 14, 1967, had written checks on new, modern Argentina. Peron was obviously fascinated at demand accounts in First National City Bank (Overseas Division) of New York, The Chase Manhattan Bank, and Manu-remarked to a confidant that here was a fellow who could still factor through Hanover Trust Co., all cleared through Deutsche Bank do much in the years ahead for German prosperity as he promised Buenos Aires.

used to do for Argentina. Both realized that the capture of The surveillance report of Martin Bormann's movements Bormann was a clear and ever present danger, and so Peron stated the following, in brief:

instructed the chief of his secret police to give all possible cooperation to Heinrich Mueller in his task of protecting the party minister, a collaboration that continued for years. It be-SPECIAL INFORMATION BULLETIN

came somewhat frayed around the edges after Peron left for Panama and then exile in Madrid in 1955, but Mueller today still wields power with the Argentinian secret police in all matters-MARTIN BORMANN

ters concerning Germans and the NSDAP in South America.

On June 16, 1948, President Truman became involved in the German Nazi politician, born in 1900, in Halberstadt, Magdeburg, hunt for Martin Bormann. Robert H. Jackson, who had once Germany. Titular head of the National Socialist party. The Nuremberg War Crimes Tribunal sentenced him

to death, along with taken a leave from the Supreme Court to serve as U.S. chief other criminals of the Third Reich. Came to Argentina in a clandestine manner, disguised as a Jesuit priest, arriving from Genoa, Italy, a quiet search should be made by the FBI for Bormann in South with false papers, around 1948.

America.

“My suggestion, therefore,” he wrote, “is that the FBI be CASE
CHRONOLOGY

authorized to pursue thoroughly discreet inquiries of a preliminary nature in South America. . . . I have submitted this sum-1948

mary to Mr. Hoover and am authorized to say that it meets Bormann was seen and identified in the federal capital. (Information given by Doctor Pino Frezza, an Italian doctor who met Bor-204

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mann on an occasion when Bormann accompanied the Führer—

1958/59

S.I.R. No. 0318.) Bormann made contact with a former German Bormann is now living on a solitary farm near Curitiba, Brazil.

army officer at the ABC Brewery, at 500 Lavalle Street, in the federal capital. (S.I.R. 01319. Juan Felisiak.)

1961

In this year, using the pseudonym Bauer, he attended the Ali Baba *1951*

nightclub in Asunción, Paraguay, apparently in the company of Bormann went to Paraná, in Entre Ríos province, where he was Mengele.

once again interviewed by the engineer Juan Felisiak, during a brief He was now lost to sight, disappearing into the area known as trip Felisiak made to

Entre Ríos Province, where Bormann was Swiss Chile. More or less bounded by the Pacific Ocean, the Argen-concealing himself by mixing with the abundant colony of Germans, the border, and the cities of Valdivia, Chile, and Bariloche, Argen-Croatians, and Poles.

tina.

The same year, he went to Brazil. Existing versions show that he situated himself in the impenetrable jungle in Mato Grosso. In his comings and goings in Argentina, he used various pseudonyms, one SPECIAL INFORMATION BULLETIN NUMBER 3

of them being Juan Gómez. Under the cover of this name, in 1948, Martin Bormann received the bulk of the treasure that had made up the financial reserve of the Deutsche Bank, whose last owner, MARTIN BORMANN

Ludwig Freude, had died of poisoning. Other pseudonyms were José Pérez, Eliezer Goldstein, and Bauer. (Report S.I.R. No. [?] 320, He was born in Halberstadt, in the district of Magdeburg, Ger-Tadeo Karlikosky.)

many. He was leader of the Nazi party council. The Nuremberg Martin Bormann had various children, one of whom, an ordained War Crimes Tribunal sentenced him to death.

Jesuit priest, helped his father in his escape from Germany, even He had various sons, one of whom, an ordained Jesuit, circulated going so far as to claim that Martin Bormann had died in 1945 —a the story of Bormann's death in 1945, a lie calculated to put an end lie calculated to interfere with the search for the war criminal.

to any search for the criminal.

It is known that even though Martin Bormann divided his per-His birth was registered in the year 1900. He was considered manent residence more or less between the states of Mato Grosso Adolf Hitler's right-hand man and was mentioned as a possible and Santa Catalina in Brazil, he made frequent brief trips to various successor to Hitler, when the conflict ended.

localities, such as Paraguay; Valdivia, Chile; and Bariloche and Like other fugitives, he entered Argentina in 1948, coming from Asochinga, Argentina. In the last-mentioned place, in the province Genoa on a second-class ticket, with forged Vatican documentation.

of Córdoba, he made contact with the central command of Araña, (This had all been made possible by an organization called La an organization founded in a distant prisoner-of-war camp, among Esclusa, which facilitated the exit of various fugitives.) German prisoners, for the purpose of providing aid and protection Between 1943 and 1945, Martin Bormann had maintained conto Nazis throughout the world and resurrecting the “ideal” of tacts with Heinrich Doerge (councilor of the Central Bank of national socialism.

Argentina), Ricardo Von Leute (Director of the German. TransAtlantic Bank), Ricard Staud, and Ludwig Freude —names assoc-1953/54/55 and 56:

ciated with the annals of Nazi treasure.

In this last year, he was identified by a woman in São Paulo, Brazil.

At the end of 1943, Martin Bormann prepared to put into force He visited Bariloche once.

Operation Tierra Del Fuego, which involved transporting large quantities of gold, money, stocks, paintings, and other works of 1957

art to Argentina via submarine. However, owing to the staggering Bormann stayed in Brazil and curtailed his travels to Argentina, situation of the German armies, all terrestrial routes were cut off.

because in that year Israeli agents began infiltrating the last-Bormann therefore (counting on the collaboration of the Argentine mentioned country in search of war criminals, who by now had government) decided that the transfer of this treasure should be begun to lose some of the support they once enjoyed.

accomplished via night flights from Berlin to Madrid and thence to Martin Bormann. The hotel proprietor began to think that these Buenos Aires. (Even after the fall of Germany, submarines arrived people must have very important characters backing them, so he at Mar de Plata and the vicinity of Patagonia and unloaded my-made the circumstance known to an agent of the S.I.R. (Córdoba terious merchandise.)

sector) and went with the agent to Río Zeballos, where Bormann At one point, Martin Bormann slipped his diary into the pocket of and his friends were headed.

a cadaver, in an attempt to create the impression that he was With the fall of the Peronista government, an evident gathering dead. The subterfuge was discovered, however.

of the Nazi element began to descend on Chile, Paraguay, and In 1948, it was noted that he passed through Buenos Aires. Ac-Brazil, particularly Brazil. So it was that in 1956 Martin Bormann cording to reports DAE 356/48 and DAE 481/50, he was observed was in São Paulo, where a large number of addicts of the Nazi in the street, when he ran into Doctor Pino Frezza, who recognized philosophy were gathering, little knowing that they would not find him, having met him in Germany (to be precise, in Berlin, during here the accommodation they had so long enjoyed in Argentina.

Hitler's visit to a brewery). The person who reported observing this In São Paulo, Bormann linked up with members of the Odessa chance meeting was an engineer, Juan Felisiak. The meeting took organization, which existed to give aid to former SS soldiers. Odessa place at 500 Lavalle Street.

was a branch of La Araña.

Later he went to the city of Paraná, where Jan Felisiak saw Martin Bormann now adopted the name Goldstein. He tried to him again. In Paraná he called himself David. He stayed there hide permanently, since Jewish elements were frequently around, until 1951.

painstakingly looking for Nazi war criminals who were attempting Bormann moved to Santa Catarina, Brazil, where he used the to elude justice.

pseudonym Eliezer Goldstein. Here, he was intensely active co-In the streets of São Paulo, Martin Bormann was recognized by ordinating the activities of the German colonists in Paraguay, a woman who knew him, so he rapidly left the city and the Nazi Argentina, and Brazil. However, all indications are that his per-group that was developing power in the triangle of Argentina, Paramanent residence is at Mato Grosso, where a large number of guay, and Brazil.

fugitives, refugees, and delinquents live. This is where Martin In 1957, he was seen in the city of Bariloche, where again he Bormann maintains contacts with couriers of the well-known organi-was developing and coordinating Nazi activities. He always hid under zation called La Araña, which is dedicated to providing help for all a Jewish last name, to escape the attention of the Israeli commandos, Nazi fugitives. In fact, Bormann is known as the Führer of South who operated more freely in Argentina now that the Nazis no America, since, according to various versions, he made it possible longer enjoyed the support they had had during the Peronista era.

for the Nazis to salvage a great deal of money, gold, valuable objects, From Bariloche, Bormann went to Valdivia, apparently to acquire and works of art, with the result that fugitives who escaped from a farm or to establish contact with a secret Nazi organization that the tribunals and prisons of Europe are able to live without major operated in the south of Chile.

difficulty.

In 1958, Bormann stayed at his secure residence in Mato Grosso, At the end of 1954, Martin Bormann was seen in Mina Clavera, but the following year he went to Paraguay, where a former Wer-Córdoba, in the company of two men with Spanish surnames. He macht member observed him in a meeting with Doctor Josef Men-was calling himself José Pérez. He arrived at the hotel in Mina gele, a Nazi who practiced medicine in Argentina and who, like Clavero suffering from stomach problems and requested that the Bormann, was sought by the Israeli secret services. This meeting hotel manager bring him medicine for gastritis. One of his com-took place in Hohenau, a town

practically founded by German panions, named Jimenez, made a trip to Río Zeballos with the owner colonists in this zone.

of the hotel. He took certain documents with him, and once there, he Bormann and Mengele headed for Asunción, Paraguay, because received documents for Martin Bormann-Pérez.

Bormann was ill. His health became worse, and a doctor was called.

The hotel manager overheard some conversations, in which the Doctor Otto Biss, a resident of Asunción, examined Bormann and names of the cities of Bariloche [Argentina], Valdivia [Chile], and Mengele. He observed that Bormann had a scar on his forehead São Paulo [Brazil] were mentioned. Later, when he handed “Pérez”

and that, other than a recurrence of his gastritis, he was in good a glass of milk, the hotel manager realized that this was actually health. This is how it was established that Bormann was in Paraguay, 208

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well guarded by Colonel Arganas, who controlled all the contraband doctor, who identified Bormann as the sick man he had attended in operations between Asunción and São Paulo —operations conducted his consulting office.

by former German flyers.

In 1961, Bormann went from Mato Grosso to the city of Iguazu, But his movements in more detail, as reported to me by trust-staying at the house of a former SS soldier. He stayed scarcely three worthy confidants, showed that Martin Bormann remained for days, since he never stayed in one place for long. He didn't trust only a short time in Buenos Aires. He moved to a mountain anyone and nearly always traveled alone, seldom with a companion.

retreat in the Argentinian Andes, a 5,000-acre cattle and sheep During the following years, apparently, the trail of Bormann was ranch about 60 miles

south of San Carlos de Bariloche, and lost, even though there was always news of the activities of Doctor lived there until Juan Peron was forced from power in 1955.

Mengele in Paraguay, where he developed intense activities. The At that time Mueller thought it advisable for Bormann to leave situation with Bormann was quite different—he could rely on the enormous amounts of money he had invested in different firms, and the mountain hideaway, so the party minister was transported therefore, he didn't have to work and could concentrate his efforts over the Andes to Chile to another remote house for two years.

on staying hidden, protecting himself, and continuing to encourage Throughout this period, Mueller kept receiving information the Nazi ideology. All those who had the opportunity to meet him that Bormann continued to be the object of an international agree that Bormann was a notably astute man.

manhunt. British, American, and West German agents sought It was evident that since the capture of Adolf Eichmann, another him, but not too hard. The Bormann organization had many Nazi criminal, the activities of Jewish groups were intensifying.

commercial and political links to the capitals of these three In 1964, Bormann was again seen, in the area of Villa Ballester, nations, and real clout was available should the chase become at a brewery frequently visited by Germans. The informant in this too hot. The CIA could have pulled aside the gray curtain that case was T. Karlokowski, a well-known swindler who sold bogus obscured Bormann—at any time. But the CIA and Mueller's gold coins. Karlokowski used to travel among these neighboring crack organization of former SS men found it to their mutual countries, and therefore, he was able to find out that Josef Mengele advantage to cooperate in many situations. There is no morality was well protected by Colonel Arganas of the Paraguayan army and that he was involved in selling agricultural machinery.

in the sense that most of us know it in the strange world of Karlokowski found out that it had been a long time since Mengele professional secrecy,

and when it was to the advantage of each had seen Bormann. On an unusual occasion, however, the engineer to work together they did so. For example, Klaus Altman, the Juan Felisiak, a friend of Karlokowski, told him that Bormann was so-called Hangman of Lyon, France, was recognized in Lima, in Villa Ballester. Karlokowski proposed a business deal with Peru, as Klaus Barbie by a Frenchwoman who has made a career Bormann, since he had plenty of money, but the engineer was not of pursuing Nazis, although she was only five years old at the agreeable.

time of the occupation when Altman-Barbie was an SS officer.

In that event, they ultimately found themselves at the same Altman, upon his return to Bolivia, where he is a Bolivian citi-brewery when Goldstein (evidently Bormann) appeared. He was zen and director and stockholder of Transmaritime Boliviana, accompanied by a young blond man, apparently a German. The a shipping company partly owned by the Bolivian government, salutations were short. Bormann said that on the following day they admitted that he was Klaus Barbie. But, he said, "I was an were heading south again, to a farm in Patagonia.

officer in a regular army in a formally declared war." He added Again, Bormann's trail was lost. In 1968 he turned up in the that both American and French authorities had questioned him medical offices of Doctor Francisco Urbistondo, on Arenales and Pueyrredon Streets. He was suffering with hepatitis-related pain.

after the war, doing nothing to hinder his emigration to Bolivia When Doctor Urbistondo commented on the German's case with in 1950. Yet he became a cause célèbre after Mrs. Beate Klars-the informant Zuccarelli, the latter reported it to agent Rodríguez.

feld, an official of the International League Against Anti-Semi-Rodríguez showed a photograph of Bormann and Mengele to the tism and Racism, announced his identity. Georges Pompidou of France was then forced to become involved and to take a 210

stand, offering \$4 million to the Bolivian government for the consulates, and they are tough and ruthless., Perhaps as a quid extradition of Barbie. It was refused. Barbie had participated as pro quo to this service to Libya, the Colonel granted the West a Gestapo officer in the destruction of the two underground German rocket company Ortag rights to a vast test range 600

resistance networks, "Prosper" and "Scientist," in 1943, which miles south of Tripoli in 1980. An attitude of benevolence resulted in the death of Jean Moulin, a French resistance hero.

toward Bormann, the German who created so much commer-In South America, Altman-Barbie was under the protection of cial activity for them, is held by Brazil, Bolivia, Argentina, General Heinrich Mueller, and in certain instances had worked Uruguay, and Paraguay. In the last named country, the son of for the CIA, so his sponsorship was impeccable and incontro-a Bavarian cavalry officer, President Stroessner, cooperates with vertible, and he continues to enjoy immunity from arrest.

the United States military authorities and with the CIA, as he Mueller never leaves Latin America, but his agents roam the does with Bormann and his representatives. During the Viet-Americas and Europe. They provide protection for the NSDAP

nam war, President Stroessner permitted the U.S. Army Chemi-leadership in exile who can still manage to travel to Madrid, cal Corps to send in teams of 2,500 men and CIA agents to Sweden, Switzerland, France, Italy, or North Africa, and they carry out field tests, in the Mato Grosso jungles of Paraguay, have been known to take on lucrative secret police assignments.

of chemicals for use in Vietnam. In one instance, several Ameri-When Colonel Nasser became president of Egypt, he asked the can soldiers became casualties when they were accidentally CIA for assistance in establishing a similar organization in his sprayed with the gas. They were taken to a Paraguayan military country. The CIA did not wish to become involved, and so field hospital; the doctor who treated them was Josef Mengele, referred him to General Gehlen, then chief of the West Ger-now a Paraguayan citizen and an officer in the Paraguayan Army man federal intelligence organization, which was in fact main-Medical Corps. Under Mengele's treatment all

soldiers recruited by the CIA. But Gehlen ducked the request, suggesting instead. None, of course, knew the true identity of their medical that former SS General Otto Skorzeny, son-in-law of Hjalmar Schacht. The Israelis have tried repeatedly to extradite Men-Schacht, one-time Minister of Finance for Hitler, should be Gele, who was the notorious doctor of Auschwitz concentration camp. Skorzeny, who made his headquarters in Spain, did camp. But when President Stroessner is approached through not want the assignment either, for he was doing too well as an diplomatic channels for such a purpose, he responds: "Shall I engineer and businessman in Spain, and was also owner of a also expelled the 1,500 Jews who have made a good life for them-large farming establishment outside of Dublin. But, urged by selves in Paraguay, and who have contributed so much to our Schacht, he had Heinrich Mueller in Brazil send him a team of economic growth?"

secret police specialists, who all arrived in Cairo as a German. Despite the assistance Martin Bormann has received from mission led by Skorzeny, who promptly returned to Spain after various leaders in Latin America since his arrival, including help introductions had been made. Mueller's team established such from members of U.S. embassies and consulates and several an effective intelligence service for Nasser, known as the GenCIA station chiefs, Heinrich Mueller continues to exercise external Intelligence Service, that Colonel Qadhafi of Libya, then extreme caution in protecting Bormann. In 1955 and again in the new revolutionary leader of his country, asked Nasser to 1957, following the transporting of the party minister to new make the German team of advisors available to him also. This locations, he leaked the story of Bormann's "death," repeating was done, and upon arrival the Germans started with a then-the old ploy of providing a body in a grave marked "Martin Bormann housecleaning of the Libyan secret police hired by the Bormann." Each time an exhumation took place it was found previous ruler, King Idris. Two thousand Libyan police were to be the remains of a deceased Indian, although one was that put in jail and continue to languish there today, and the German of a Jewish person, an Israeli agent who had gotten too close to mans rebuilt from scratch. Today Libyan intelligence agents his target.

are stationed in all Libyan African and overseas embassies and In 1957 Mueller established Bormann on a remote plantation 212

at the southernmost tip of Brazil, at a point that touches Para-The hue and cry had died down. An occasional journalist would guay, one mile inland from the west bank of the Paraná River take up the hunt, but would be tracked by Mueller's men. At and 15 miles north of the Paraguayan border. It was a drab, one point in time, NBC News in New York sent a news team depressing plantation area, but a natural fortress, stretching in a to South America. But NBC News abandoned the principles of rectangle 40 miles along the Paraná River, 100 miles inland journalism when it made this a combined operation with Israeli from the sea. To the east it was protected by the river, which secret agents and a Zionist organization in South America. It at that point is ten miles wide. To the south it had the im-is probably still unaware that Mueller had penetrated the Zion-penetrable jungle for protection; the all-but-impassable path-ist group, and that every step taken was known to him before-ways one would take to approach the plantation were guarded hand. It was quite impossible —and still is today —to surprise by Indians whose role was to alert the SS guards. The settle-Mueller and therefore Bormann. They have a fail-safe system of ment was known as Kolonie Waldner, and SS men I have protection that dates back to World War II when the espionage talked with who were with Bormann then spoke of the heat agents of Germany, Japan, and Italy were operating effectively and the general lassitude there. Food and other supplies were throughout the Western Hemisphere; this is part of the infra-brought by river boat, then trucked inland to the colony. Visitors structure to which they became heir, which serves them today.

came and went by Piper Cub, which upon landing would taxi The German fifth column in South America was far-reaching up to a large hangar and disappear from view. A bowling alley and effective, and when the war ended in Europe agents and down one side of the hangar provided about the only recreation, station chiefs were instructed to stay in position and await fur-but the SS men I interviewed said that the best German cook-ther orders. They were to continue in their commercial careers ing in the world was provided by former SS mess sergeants, and as cover for the work they would be called on to perform: that this was an incomparable feature of the dining room. To assistance to the 10,000 veterans of the SS who would need quote one: "Still,

it was small consolation for being stuck in relocation help as they poured into Buenos Aires and fanned out such a place. We worked to construct proper housing, but it to various nearby countries, and full cooperation with was hard to put out of one's mind the memories and thoughts Reichsleiter and Party Minister Bormann and the other 50,000

of Germany and the good days of long ago.”

German VIP's of industry and research. All members of the Martin Bormann continued to conduct his complex business NSDAP in South America were familiar with the *Organization* affairs from Kolonie Waldner by remote control. A cadre of *Book*, which they had been receiving from Berlin for some years skilled professional business administrators would periodically as leaders of local chapters of the (overseas) Auslands-return to this dismal, isolated area and make their reports on Organization. A basic element in the book dealt with the rela-investments and on the prosperity and growth of the corpora-tionship of members to the Principles of Obedience: tions they controlled in so many different countries. Bormann appeared very much the plantation overseer, with boots, white Through his incorporation in the NSDAP the brother or comrade (*Parteigenosse*)

pants and shirt, and a wide-brimmed panama hat. Such a hat, I promises to maintain an unchangeable fidelity to

Fuehrer Adolf Hitler and unconditional obedience to the leaders am told, along with being protection from the ubiquitous hot whom he shall designate.

sun, was also protection from poisonous spiders that dropped from trees. I asked one of my SS informants why they didn't How extensive this Nazi apparatus was during the war years, use poison gas as the Americans had done in the Mato Grosso and how it was able to guard and assist Martin Bormann after to defoliate the trees and exterminate the spiders. His bitter his arrival in South America in 1947, was spelled out by J. Edgar reply: “We used up all our poison gas during World War II.”

Hoover, head of the Federal Bureau of Investigation.

The plantation stay finally ended, and Bormann was moved In a 1943 report

prepared by the U.S. Federal Bureau of again to the high mountains of Argentina that border Chile.

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Investigation, whose wartime responsibility had been extended size of a microdot on a written page. Nazi Party members and to spotting Axis agents and their activities in all Latin American German commercial companies also served as transmission countries by order of President Roosevelt, the FBI stated: agents of espionage reports to the German High Command. By having agents working in tight groups in each of the countries, After the rupture of diplomatic relations with the Axis by various usually unknown to each other, the Germans had the distinct countries of Latin America, the Axis began to use Argentina as the advantage that when the individuals of one group were identi-base of its espionage and sabotage activities against all American fied by the FBI, or by the national secret police of a Latin nations. It had been established that from this base of operations American country, the other groups or cells were not generally the Germans have spread the net of their subversive organizations to affected, and were able to continue their operations without at least ten American countries, and that as a result of their work interruption. Brazil was at one time the center of Axis espiona large number of American lives, considerable American property, and the lives and property of the citizens and countries of the united age, but when restrictive measures were taken by the Brazilian nations which are engaged in the struggle against the totalitarian government, Argentina became the predominant center. Easy powers have been lost.

access to funds is vital to successful espionage, and when Brazil began to take countermeasures against this fifth column, the Argentina was an ideal base for such espionage and sabotage local field man for the FBI in Rio de Janeiro reported to J.

tactics against other nations of the Western Hemisphere. The Edgar Hoover in Washington that on October 3, 1942, the sum FBI also reported that “the following are the American repub-of 638 million pesos had been sent by Axis agents from Brazil, lics and territories directly affected by the activities of the

Bolivia, Peru, Uruguay, and Paraguay for deposit in the Banco German espionage ring, directed from Argentina: Brazil, Co-de la Provincia de Buenos Aires.

lombia, Cuba, Chile, Ecuador, the United States of America, Germany, of course, had a profound and quite critical inter-Mexico, Paraguay, Venezuela, Aruba and Trinidad.”

est in the rising war production of the United States. Nazi The German espionage service in South America reported agents infiltrated all U.S. plants in which bombers and fighters directly to the German High Command in Berlin, whence they were being produced and the information gathered by these received their instructions to send all possible information in employees was transmitted to Buenos Aires, where it was relayed the following main categories: ship arrivals and departures; to the mammoth wireless receiving station in Hamburg that movements of warships of the United States and England; im-pulled in messages from agents throughout the world.

ports and exports; U.S. armaments and industries; political data; In Buenos Aires, an FBI field agent pinpointed the chief of weather reports; movements of American warplanes being fer-the clandestine radio group in that major South American ried to Africa via Natal; operation of Pan American Airways; capital as “Friedrich von Schultz Hausmann, manager of the war effort of the United States; Panama Canal; defense meas-firm of Bromberg y Cia., at Bernardo Irigoyen 330.”

ures in the United States and Latin American countries; sabo-In 1941 the German espionage service had transferred von tage of English ships; and convoys of merchant vessels.

Schultz Hausmann from Chile, where he had been manager of The activities of German, Japanese, and Italian agents op-the Lloyd Norte Aleman in Valparaiso, while serving as head of erating as separate cells in each country always revolved around German agents there. When he moved to Buenos Aires to an important clandestine radio station that transmitted their assume a more important position, he informed his Chilean information in code to receiving stations in Hamburg, Germany.

intimates that they could reach him through post office box Japanese data was forwarded to their embassy in Berlin which number 386, the one used by Bromberg y Cia. He cautioned then transmitted to Tokyo. Other information was sent by mail, that they must write in secret ink or by cable code to his new with messages written in disappearing ink, or reduced to the cable address "Alegre." Hausmann's close friend in Argentina 216

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was Walter von Simons, head of the news agency Transocean, a fervent Nazi. Dr. Witt was also a professor at the Mejia Na-which Dr. Goebbels had used as a conduit to spread his propa-tional School and a deputy in the National Congress.

ganda to the newspapers of South America.

In Colombia, Hans Baumann, a Salesian priest, came to the The Nazi Party was effectively represented in all Latin Amer-attention of the FBI; J. Edgar Hoover passed on information ican nations. Mexico, as one example, had its German National regarding him to William J. Donovan, head of the OSS.

Socialist Labor Party, which controlled the public as well as Hoover reported that Baumann was carrying on activities in the private lives of all Germans living in Mexico. The party connection with an espionage ring that utilized the facilities of was illegal but active; it had divided the country into seven a clandestine radio station, PYL, in or near Santiago, Chile.

districts, each with its own local Gauleiter. While the NSDAP

Hoover attached a picture of Baumann and a photostatic copy was outlawed in Mexico, it did have a legal front, the Deutsche of his party book indicating membership in the Auslands-Volksgemeinschaft, with the German ambassador, Baron Rudt Ausweis organization. "The information concerning Baumann von Collenberg, as honorary president. Thirteen German clubs has been secured from a confidential, reliable source," Hoover of various types were committed to propaganda and espionage, wrote to Donovan.

but the overseeing element of all German activity was the Hans Baumann

was born in Wiesent, Bavaria, on April 21, 1897, under the direction of Georg Nicolaus, a dealer in com-machinery who took part in the attack on Poland and then companion of the young Adolf Hitler in the trenches. He emigrated and was sent first to Colombia, next to Mexico City. The Japanese to Colombia in 1932 and became active in education, achieving he handled the military intelligence chores for the Gestapo in the directorship of the Colegio Pedro Justo Berrio of Medellín.

Mexico because German efforts were directed to the United States and to the more southerly countries of Latin America. During a return trip to Germany in 1937 he had lunch with States and to the more southerly countries of Latin America.

Hitler and Martin Bormann; back in Colombia he engaged in To accommodate this additional work, Japanese tourists began NSDAP activities and espionage, and utilized the German firm arriving in great numbers in Mexico; some were assigned to Fritz Fuhrop and Cia., a Nazi company that represented other South American countries. In Tampico, Mexico, the principal meeting place for German, Japanese, and Italian spies was upon Yusen Kaisya Lines. The effectiveness of Baumann's work in the dental offices of Dr. I. Nishimura.

in Colombia was attested to by a further confidential field A sustained effort was made by the Germans to win over local report to J. Edgar Hoover: "German Nazis have gained the folk. In Ecuador, for instance, they had two main objectives: friendship of many Colombians. It is understood that not only to control the commerce of the country, in association with are these German individuals well liked by the Colombians but their compatriots, the Japanese, and to displace "Yankee and there is considerable sympathy for their cause. The wife of English imperialism." Observers of the scene reported that they Schrader, manager of Steinwender Stoffregen Corporation in achieved both, thanks to years of superior, overbearing, haughty Pereira, said she hoped and prayed the Nazis would take over attitudes that characterized the Anglo-American companies in Colombia and that the United States would be 'sunk in the their relations with the native population. The Germans arrived seas.' " The Axis population in Colombia at this time

totaled as businessmen, explorers, scientific investigators, university professors, and journalists. The German pedagogic missions that In their World War II drive to win the hearts and minds of came to Ecuador before Nazism, cleared the way for the Third Latin Americans, and to gain commercial ascendancy, these Reich emissaries. A German school served as the meeting place representatives of the Third Reich welcomed everyone to their of the Ecuadorian intellectuals on Saturday afternoons, attended ranks, and this included Jews. But the Jewish immigrants who by lawyers, writers, and professors. The school's director was had come to Colombia to start new lives could not be enlisted Dr. Max Witt, an Ecuadorian-born son of German parents, and by either Germans or Americans. One FBI report stated, "Be-

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cause of interest in their business they can't be won for the However, it prospered elsewhere and meanwhile in June 1942

anti-Nazi fight." But there was the mysterious Jewish arms the FBI station chief in Chile reported to J. Edgar Hoover: merchant, Luis Rochschild, who seemed to precede the advance

"Werner Siering is the manager and head of the firm in Santi-of the German armies. He left Frankfurt for the Sudetenland ago. Numerous previous reports have been made concerning this and when German armies arrived went on to Prague, always individual, indicating that he is an active Nazi agent in South wheeling and dealing. In Prague he transferred large sums of America. The principal directors of this firm are of German money through Switzerland to New York to Chile. In Santiago nationality and there are also 27 Germans employed in the he made a business connection with the German import firm office." The report went on to mention other German com-of Staudt and Company, Inc., and served this firm, which was panies having active participation: Banco Germanico de la on the Anglo-American blacklist, as "front man"; this enabled America del Sud, Compania Sud-Americana de Vapores, a him to import textiles under his own name from New York steamship company, Siemans-Schuckert Limitada, Santiago Gas and to sell

the commodities to Staudt and Company. Front Company, and "Soquina, which is engaged in the production men were a common practice, enabling many German firms to of gas from coal."

continue doing business despite Anglo-American disfavor. From Argentina by this time was under great pressure from the this group of front men, Bormann selected many who would United States to break relations with the Axis. Instead, she serve as caretaker administrators of the new companies created proclaimed her neutrality in 1942. However, in January 1944, for the flight capital program. In Buenos Aires, many members Argentina broke off relations with Germany and Japan over the of the Jewish community owe their present prosperity to this flagrant espionage that had been taking place within her bor-predilection of the Bormann organization to use Jewish busi-ders. Still, this was not a commitment to war and the Perón-nessmen as cloaks for commercial operations.

Farrell junta was shocked into action when the United States Hoover sent along an FBI report to William J. Donovan: and most other countries recalled their ambassadors in the summer of 1944. Then, three months before the German surrender, A Dr. Bernhard Mendel, an Austrian Jew and a naturalized Colom-Argentina officially declared war on Germany and Japan on bian and also a very wealthy businessman located at Bogotá, has March 27, 1945, a symbolic gesture only, but it succeeded in been engaged in activities apparently directed toward sabotaging normalizing relations with nations of the Allied world who the intelligence efforts of the united nations in Colombia. Accord-returned their ambassadors, except for Russia. The German and ing to the informant, Dr. Mendel is presently an agent for a German Japanese diplomatic corps had to leave, however. But anticipat-firm in Colombia and is the consignee of American-made products in ing such action as a possibility since 1942, Baron Guenther that republic. While Dr. Mendel has on occasions professed to be an ardent anti-Nazi informant, his professed cooperation in Freiherr von Thermann, a former German ambassador, held combatting Nazi activities in Colombia has been of negative value.

meetings on his farm, Isla Verde, in Córdoba province, where In view of the activities of Mendel, detrimental to the interest of an organization was formed

that would represent German inter-the United States, the suggestion has been advanced that this ests. The names of those constituting this group came into the individual be listed as an undesirable consignee and representative hands of J. Edgar Hoover, and they show an interesting cross-of American-made products in Colombia.

section of commerce and banking.

The major German firms of South America were invariably ARMY: Ricardo W. Staudt, former Austrian Consul, especially good centers for espionage activities. The Bayer Company, a subsidi-relations with the Argentine army. Wilhelm Krankenhagen, ary of I.G. Farben, whose principal business in Chile was the party member from the firm Bromberg.

sale of chemical products, was placed on the American blacklist NAVY: Rudolf Hepe, harbor superintendent of firm Delfino. Otto Rusche, the German firm of A.E.G.

and prevented from doing business with the United States.

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HEAVY INDUSTRY: Dr. Arnold Stoop, board of directors of many cipher experts of the OSS were able to intercept the messages, German and Argentine firms and farms. Robert Mertig, Bay

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but it took time for them to break the code. Meanwhile, a rische Motoren Werke, Dr. Carlos G. Linck, I.G. Farben, continuous stream of important data from South America and Wilhelm Schulenburg, firm of AFATUDOR.

the United States was being sent to Hamburg, and the precise BANKS: P. Peterson, Banco Aleman Transatlantico, R. Leute, mana-location of the transmitter had yet to be determined. With the ger, Banco Germanico.

permission of the Chilean government, the U.S. Federal Com-AIR AND

GLIDERS: Walter Grotewald, Deutsche Lufthansa (Condor munications Commission sent an electronics expert to Chile to Line), Joachim Ufflembauemer, firm AFATUDOR, Labor Front.

determine the location of this station, which had become known EX. AND IMPORTATIONS: Dr. C. Ernesto Niebuhr, syndicate of German as PYL. The communications expert made several tests and firms, specialist in real estate business.

declared the broadcasts were being made from the house of SOCIETY: Theodor von Bernhard, very rich German farmer, Jewish Guillermo Zeller, at Avenida Alemana, 5508, Cerro Alegre, Val-girl friend in Montevideo, Uruguay, Hanni Eisler, an actress.

paraiso. Zeller, who was the actual transmitter, was an expert Pays to Nazi party 30,000 pesos yearly. Ricardo W. Staudt, radio technician and was using the most modern transmitting former Austrian Consul. Dr. Edlef E. Hosmann, insurance set devised, with antennas specially adapted for broadcast to company of Hosmann & Cia.

Hamburg. Another PYL went on the air, and the FCC expert AGRICULTURE: Franz von Bernhard, brother of Theodor von Bern- determined that it was located at Antofagasta. Then a third hard. Erwin Pallavicini, German descent, in sugar business Hilleret.

went into operation from Buenos Aires with equipment supplied SCIENCE: Dr. Wolfgang E. Centner, of the INAG (Siemens electrical by the Siemens manufacturing organization. This came under apparatus). Dr. Paul Mehlich, German hospital. Dr. Hanns the management of Hausmann in the Argentinian capital; Haus-Merzbacher, son of old German doctor, Merzbacher, German mann split his time between his duties at Bromberg y Cia. and hospital.

the station. Operating such radio facilities and securing agents ARCHITECTURE: Dr. E. Zeyen, of the FINCA (constructors on required a considerable amount of money to make everything credit). Dr. Engineer Walter Kossman, manager of the mesh. Von Schultz Hausmann, in one message to Germany, GEOPE, uncle of the former counsellor to the German

Em-instructed them to transmit funds to the account of O. Osterloh bassy. Henn, who is now in Berlin for the German Foreign in the German Bank of Buenos Aires. Money was also paid to Office.

the Japanese diplomat Tadeo Kudo through this account to accommodate him for the work he was doing for the Germans.

One of the most absorbing operations of the early forties was The transmitters located and their messages intercepted, the the clandestine German radio station located in Valparaiso, OSS was a step forward. But not until the code had been broken Chile. This station transmitted to Germany information from could a deep look into the Nazi espionage system be taken, Axis agents operating in Chile, Argentina, Peru, Colombia, serving as a lead to agents in the field. The late Elizabeth Ecuador, Guatemala, Mexico, and the United States. The man-Friedman, wife of Colonel William Friedman, the master cryp-ager of the German firm, Compania Transportes Maritimos, tographer who broke Japan's Purple Code, was a gifted cipher formerly a branch of the Norddeutscher Lloyd shipping con-expert. She organized the OSS code and cipher operations for cern, operated this illegal and powerful radio transmitter. He Donovan; to her goes the credit for breaking the German code was Bruno Dittman, and he had succeeded Friedrich von used between the PYL stations in South America and Germany.

Schultz Hausmann after he had been transferred to chief of Once opened up, the messages were found to be a series of station in Buenos Aires. Both the FBI and the U.S. Office of businesslike instructions from a home office to agents. The latter Strategic Services, under the direction of General William J.

sent their information and requested instructions on handling Donovan, were concerned about this transmitting facility. The assorted undercover projects. Hamburg was always concerned 222

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that all South American agents could prove legitimate employ-AND SEND BY LATI TO DR. GANZ, BERLIN, CHARLOTTENBURG 4, LIEBEN-ment as cover for spy activities, which underlined the value of STRASSE 43.

German commercial firms in all Latin American countries. One message follows:

Identifying an agent in the field from these intercepts was important to the thrust and parry of this underground war.

April 17, 1942

Hamburg to Valparaiso

Once identified, a German agent could be neutralized. An inter-IT IS IMPORTANT THAT ESCO, TOM AND FLOR CAN PROVE BUSINESS AND

cepted message indicated that the Germans had in their employ SOURCE OF INCOME.

an individual by the name of Clarcke, who was to be under the general supervision of Walter Giese, chief of the Nazi espionage After the sudden arrest of most German agents operating in service in Ecuador. The message stated:

Brazil, the intercepts indicated that Germany was very conscious of the safety of its men, as well as wishing to ensure continuous November 6, 1941

Rio de Janeiro to Berlin

radio communications with its agents in Chile, the reason it CLARCKE CAN BE UTILIZED BY GIESE IN COLOMBIA AND VENEZUELA. HIS

opened up a second PYL, operated by "Pedro" in Antofagasta.

POSSIBLE UTILIZATION IN U.S.A. NOT READY FOR DECISION.

This message indicates the concern:

Then, unwittingly, this clandestine station in Brazil sent a mes-March 26, 1942

Hamburg to Valparaiso

sage to Valparaiso for transmission to Hamburg:

BE CAREFUL. ALFREDO ARRESTED. PLEASE ASK BACH WHICH
OF YOUR

COVER ADDRESSES HE GAVE TO ALFREDO AND WHOM
ALFREDO PASSED IT

November 14, 1941

Valparaiso to Hamburg

ON TO. IN ANY EVENT, ABANDON YOUR COVER ADDRESS JUAN,
AND DON'T

DAUGHTER OF CLARCKE SECRETARY IN U.S.A. EMBASSY QUITO
SINCE

PICK UP ANY MORE LETTERS THERE.

NOVEMBER ONE.

The OSS straightaway learned that Bach was the cover name for Clarcke was positively identified as Federico Clarcke Car, resid-Ludwig von Bohlen, air attache to the German Embassy in ing at Huerfanos 2289, Santiago, Chile. Both father and daugh-Santiago. Then a new agent, by the name of "Apfel," made his ter were picked up.

appearance on the intercepts.

A profound interest in U.S. aircraft production by Germany was understandable, and Germany continued to ask the PYL

May 7, 1942

Valparaiso to Hamburg

stations in South America for an updating on production fig-RECEIVED
YOURS OF THE FIRST OF MAY. MONEY FOR A START IS AVAIL-
ures. "To what extent has the construction of the assembly ABLE.
HOWEVER NOT FOR THE NORTHERN REPUBLICS OF SOUTH
AMERICA plants in Kansas and Tulsa progressed? When can the comple-
GUARD TWO APFEL.

tion of the first planes by this factory be expected?"

That German agents in South America complied faithfully This was of
significance to the OSS, because Guard Two was with these orders for
information by the German High Com-the sabotage section of the German
High Command, and Apfel mand is demonstrated by the typical message
quoted here: was evidently in charge of sabotage along the west coast of
South America.

January 1, 1942

Valparaiso to Hamburg

PYL also handled new mail instructions for letters of deliv-PRODUCTION
OF SO3C BEGUN IN COLUMBUS OHIO FACTORY AT THE

ery to Berlin:

BEGINNING OF DECEMBER. EMPLOYEES OF ALL CURTISS
AIRCRAFT FACTORIES IN DECEMBER TOTAL 27,000. PROPELLER
PRODUCTION NOVEMBER, July 1, 1941

Hamburg to Valparaiso

1,042.

LETTERS FROM SHANGHAI TO SENORITA, PLEASE PUT INTO NEW
ENVELOPE

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While the information was pure gold to Germany, the usual many had paid out 85.3 billion marks, by the end of 1977, to fate befell many of these hard-to-get messages. All too often, survivors of the Holocaust. East Germany ignores any such responsible agencies of the German government ignored their liability. From South America, where payment must be made implications. Albert Speer, minister of armaments and war pro-with subtlety, the Bormann organization has made a substantial duction in the Third Reich, tells of one agonizing scene when contribution. It has drawn many of the brightest Jewish busi-he visited the Junkers aircraft plant in Dessau in 1941 to discuss nessmen into a participatory role in the development of many production with General Manager Koppenberg. "After the of its corporations, and many of these Jews share their pros-meeting, Koppenberg led me into a locked room and showed perity most generously with Israel. If their proposals are sound, me a graph comparing American bomber production as forecast they are even provided with a specially dispensed venture capi-accurately for the next several years with ours. I asked him what tal fund. I spoke with one Jewish businessmen in Hartford, our leaders had to say about these depressing comparative fig-Connecticut. He had arrived there quite unknown several years ures. 'That's just it, they won't believe it,' he said."

before our conversation, but with Bormann money as his lev-erage. Today he is more than a millionaire, a quiet leader in the With the war years far behind him, Martin Bormann goes on community with a certain share of his profits earmarked as and on, quietly making history in worldwide financial circles.

always for his venture capital benefactors. This has taken place He was eighty on June 17, 1980, and his chief of security, Hein-in many other instances across America and demonstrates how rich Mueller, was seventy-nine the same year. Bormann today Bormann's people operate in the contemporary commercial may be likened to the classic chairman of the board of a vast world, in contrast to the fanciful nonsense with which Nazis are international business complex, of an organization holding described in so much "literature." So much emphasis is placed greater assets than any private investment house on Wall Street.

on select Jewish participation in Bormann companies that when Bormann, aged though he is, continues to guide the destiny of Adolf Eichmann was

seized and taken to Tel Aviv to stand his financial empire. But he is sufficiently prudent and fore-trial, it produced a shock wave in the Jewish and German com-sighted to realize that the assets he controls must be placed in munities of Buenos Aires. Jewish leaders informed the Israeli younger hands, and today the leadership council of the senior authorities in no uncertain terms that this must never happen NSDAP group is reflected in a younger generation, comprising again because a repetition would permanently rupture relations professional managers, lawyers, and financiers, who are calling with the Germans of Latin America, as well as with the Bor-the shots as money and trade are moved among the markets of mann organization, and cut off the flow of Jewish money to the Americas and Europe. Their organization holds the bearer Israel. It never happened again, and the pursuit of Bormann bonds that give him a voice in banks and industries of Germany, quieted down at the request of these Jewish leaders. He is re-and likewise they hold blue chip stocks in U.S. heavy industries siding in an Argentinian safe haven, protected by the most effi-and chemical companies. They are represented too on the cient German infrastructure in history as well as by all those boards of corporations in France, Belgium, Holland, Sweden, whose prosperity depends on his well-being. Personal invitation Luxembourg, and Switzerland, as well as in a myriad of other is the only way to reach him.

countries, including those in their bastion, Latin America. Their A revealing insight into this international financial and in-management is of the best and the companies they operate dustrial network was given me by a member of the Bormann return a profit to everyone involved, from the West German organization residing in West Germany. Meyer Lansky, he said, government in corporate taxes and increased trade, to the share-the financial advisor to the Las Vegas-Miami underworld, sent holders of all companies that participated so long ago in Reichs-a message to Bormann through my West German SS contact.

leiter Bormann's flight capital program.

Lansky promised that if he received a piece of Bormann's action Since the founding of Israel, the Federal Republic of Ger-he would keep the Israeli agents off Bormann's back. "I have a 226

very good relation with the Israeli secret police” was his claim, although he was to be kicked out of Israel later when his presence became too noted — and also at the urging of Bormann’s security chief in South America. At the time, Lansky was in the penthouse suite of Jerusalem’s King David Hotel, in which he owned stock. He had fled to Israel to evade a U.S. federal warrant for his arrest. He sent his message to Bormann through his bag man in Switzerland, John Pullman, also wanted in the United States on a federal warrant. Lansky told Pullman to make this offer “which he can’t refuse.” The offer was forwarded to Buenos Aires, where it was greeted with laughter. When the laughter died down, it was replaced with action. Meyer Lansky was evicted from Israel, and was told by Swiss authorities to stay 8

out of their country, so he flew to South America. There he offered any president who would give him asylum a cool \$1 million in cash. He was turned down everywhere and had to continue his flight to Miami, where U.S. marshals, alerted, were waiting to take him into custody.

The Bormann organization has the ultimate in clout and substance, and no one can tamper with it. I have been told:

“You cannot push these people; if you do it can be extremely risky.” Knowing their heritage, I take this statement at face value.

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GERMANY KNEW WHAT WAS MEANT BY DEFEAT

and occupation. The four zones ruled by the Allied powers were being shaped according to the governmental philosophies of their victors. The Russians dismantled factories in their zone and shipped everything moveable to the Motherland. For years the deadening hand of Soviet occupation lay like a fearsome doomsday mantle on the German zone it controlled. In the British, French, and American zones the order to dismantle was never given, because the French and British and the governments of the Low Countries who had been freed by Allied victory decided they could rebuild new plants more compatible to their economies of the postwar years. The main thrust of the Western Allies was to eliminate hard-core Nazi leadership and get the economy rolling once more.

Russell A. Nixon, former acting director of the Division of Investigation of Cartels and External Assets in the U.S. military government in West Germany, spoke of the difficulties in those days investigating and doing something about the industrial and financial leaders of the conquered Third Reich. The denazification process was cumbersome and elusive, and captains of the economy below the level of those who had undergone the 13 Nuremberg war crimes trials were difficult to pinpoint as to extent of guilt and involvement, Nixon remarked, "because they, by chance, held certain high Nazi positions or because 231

they were in one way or another in a mandatory-arrest category.

made only from information on the Reichsbank tags attached to It was on a purely hit-or-miss basis; there was no policy with the sealed bags, boxes and parcels." In his letter dated 20 April regard to industrial and financial leaders. When we finished 1945, to the Combined Chiefs of Staff Committee, General interrogating a man, we were faced with the problem: What Smith asked the Treasury Department to send expert weighers authority do we have to hold him? By what test do we decide of gold bars with their equipment. The final inventory was whether he is in or out? We began to face some criticism carried out in the vaults of the Reichsbank at Frankfurt, where because we were holding Germans in prison without 'specific the treasure had been moved. General Smith also said it obvi-charges.'" So, one after another, these men were released de-ously had belonged to the SS or the Gestapo. "Evidence indicates spite U.S. Joint Chiefs of Staff directive 1067, issued on May that part of the treasure represents loot taken from individuals 10, 1945, which stated that Nazis and Nazi sympathizers hold-who have been murdered, as it includes thousands of gold and ing important positions in industry, commerce, finance, and silver dental crowns, bridges and plates and some personal arti-agriculture should be arrested and held for trial.

cles. It may, therefore, constitute items of evidence, and should The situation was the same when military government inves-be considered in that light. It is believed that agencies engaged tigators probed into the personnel of major banks. Bankers had in the determination of evidence for the prosecution of war arranged the financing of the war, and through their financial criminals should be informed, and at the proper time should be webs had established

and maintained control over the economic-permitted to inspect and investigate this part of the property.”

mies of occupied Europe for the Third Reich. The officers American and British treasury agents went to Frankfurt, perand board members of the Big Six banks were picked up, but formed their assessments, and the decision was ultimately made efforts of the military administration to follow through were to put all the gold into an Allied “gold pot” for sharing as repa-resisted by other Allied departments of the occupation. Russell rations, while the currencies (French francs, Belgian francs, Nixon recalled that when he moved to arrest the bankers he Norwegian kroner, Czech kroner, Croatian kuna, Italian lira, was unable to get the U.S. Counterintelligence Corps to assign Hungarian pengoes) were returned to the central banks of these him men to do it. “So we had to deputize our own staff people countries. Parcels containing the sad reminders of concentration to go out and pick them up.” But the departmental infighting camp victims were held for agencies concerned with war crimes.

didn’t stop there. Nixon had trouble getting jail space, and so But scant useful information was obtained from the leading

“the bankers merely remained under house arrest, in their own bankers and industrialists held for interrogation. To be sure, all homes.” On the part of some of the American generals, “This had approved and complied with Bormann’s program of flight was some sort of screwball idea, anyway; another of Colonel capital to neutral safe havens in 1944; they had faith that Bernstein’s schemes to tear up Germany.” Finally, the key the Fatherland, or at least those zones supervised by Britain, bankers did go to prison for a time, but only to be interrogated France, and the United States, would rise from the ashes of about their financial activities in the war, including: “What defeat. They knew too that the money, patents, and new manu-happened to the money and other liquid assets you sent out of facturing processes, along with scientists and administrators Germany after August 10, 1944, when Martin Bormann sequestered beyond reach of the Allies, would also be a inaugurated his flight capital program?”

necessary component in the resurgence of Germany. But they Not in question was such treasure as was discovered by the sidestepped acknowledging that

billions had been sent from U.S. Third Army in a salt mine near Merkers in April 1945. A their country in the final nine months of the war, and that cor-preliminary inventory of gold bullion, currency, and miscellane-porations outside the boundaries of Germany would be gen-ous property placed the value of the find at \$515,825,802, and erating further money in world markets during the years to as Lieutenant General Walter Bedell Smith, chief of staff of the come. Treasury officials in Washington, as in London, knew U.S. Army at SHAEF, stated: "The total figure arrived at was what was transpiring; the teams they sent into the field uncov-232

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ered enough evidence to prove a definite pattern. As for the None of it went for luxury items, as in Britain, to compensate news media, it did not seem important, although long-term it a people who had been deprived of many items in five years of was really the biggest of the postwar stories. Yet so quietly was war. The people labored mightily and practiced thrift. Private it handled by the Germans and so diffident was the reaction by investment money began to flow back from the banks of the Allies, that few ripples rose to the surface, and investigators Switzerland, as bankers there recommended such investments of the U.S. Treasury Department were taken off the case.

to their customers, as well as to their own bank investment com-Allied correspondents were then more interested in the prog-mittees. Later, other money, which had found its way to the ress of the denazification program being carried out in the U.S.

"neutrals" under the Bormann program, began to flow slowly and British zones of occupation. The Allied administrators had from these safe havens to Germany, although the reverse flow removed 25,000 Nazis from banking and finance in the U.S.

didn't accelerate until the occupation ended and the destiny zone, but later found to their dismay that the individuals they of the new Federal Republic of Germany was in German hands.

were denazifying out of finance were going into related fields, a Until that time the West German economy moved forward holding operation of sorts,

until such time as they could move under the policy pronounced by Federal Chancellor Adenauer, back into their old slots of influence and power—an identical the policy of a free economy: the greatest possible liberalization process to that taking place in Japan. American and British of the market. It had led to impressive increases in production newspapers played up the fact that 200,000 Nazis in the Ameri-and under Adenauer's successor, Ludwig Erhard, the free market can zone had been removed from industry and government by economy was christened the "economic miracle." It was also 1946, which impressed readers in the United States and the made possible by a new labor supply, the influx of millions of United Kingdom, until later it came out that this had barely refugees driven out of Eastern European countries by Soviet made a dent in the 21/2 million Nazi Party members of the U.S.

rule. There were 8 million expellees and 2 million refugees who zone. Then, when Britain and America found themselves in-arrived in industrialized West Germany between 1945 and 1961.

volved in a hapless cold war with former ally Russia, West Ger-They were integrated rapidly, making a real contribution to the man support was courted and welcomed, and the majority of growth of the Federal Republic by their desire to work hard those formerly declared Nazis quietly folded themselves back and build a new life for themselves.

into industry, banking, and government. Forgotten was General Currency reforms to halt inflation, the free market economy, George Marshall's clarion declaration of March 1945, when he and the hard work of the populace changed the economic cli-listed 1,800 industrialists and bankers as "leaders who have mate of the new Federal Republic; money was worth something thrived under National Socialism, welcomed it in the beginning, again and the supply of needed goods increased. Prices climbed, aided the Nazis to obtain power, supported them in office, but they were slowly stabilized by an ever watchful government.

shared in the spoils of expropriation and conquest, or otherwise By means of tax reductions and special privileges for investors, benefited in their careers or fortunes under the Nazis."

employers were encouraged to adopt policies of expansion. By Realism superseded idealism when it was officially acknowledged-mid-1951, 1936 levels of production were reached. West Germany led by top occupation officers that permanent removal of many was now turning out industrial products that were in great such leadership from the West German scene would deal a demand everywhere: machine equipment, electrical goods, autos, devastating blow to German rehabilitation. Historically, men of trucks, chemical products, steel, and electronic units. The industry and drive have a way of rising again to the surface following center of Germany expanded from the Ruhr to complexes in reverses, and this was the case in West Germany. Under in the Rhine/Main area and around the larger cities, like the Marshall Plan, the money that was pumped into the economy-Stuttgart, Munich, Hanover, and Hamburg.

Germany arrived at the right time, enabling plant management to A substantial infusion of money into this new Federal Republic-rebuild the factories that would provide jobs and employment.

lic economy resulted from the Korean War in 1950. The United States

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States was not geared to supplying all its needs for armies in to pull together the shattered pieces of his coal and steel empire.

Korea, so the Pentagon placed huge orders in West Germany As he left prison, reporters asked him, what he planned to do.

and in Japan; from that point on, both nations winged into an

“Make steel,” was his reply. Oddly, the Allied decartelization era of booming good times.

policy of separating the giant industries contributed to his re-Daimler-Benz A.G. of Stuttgart expanded its output of autos surge. He was forced to sell his 60 percent holdings in one of and trucks, experiencing no difficulty in switching from Wehr-the Ruhr’s biggest coal combines. Unable to find a buyer in military staff cars and tanks to Mercedes-Benz cars for the luxury-

West Germany, he turned to his French associates of the pre-inclined of the world, and diesel-powered small cars that war and occupation years and sold his stock to the large De-dominated taxi fleets from Cairo to Cape Town. A newly insti-Wendel steel concern in France, which paid him \$26 million in tuted bus line using Mercedes-Benz vehicles from Lagos to cen-cash and \$19 million in blocked funds, which could only be tral Nigeria featured hi-fis and stewardesses bearing food, drink, reinvested in France or in other areas linked to the French and pillows; this prompted one delighted Nigerian to remark, economy. This forced him to invest the French funds outside

“They certainly know how to make a customer feel wanted.”

of Germany, and he started buying industrial bargains abroad, Ferdinand Porsche, who had developed the Tiger tank, which from Belgium to Brazil.

was better than anything the Allies had during most of the In 1955 Flick became the first German in the postwar period war, put Volkswagenwerk back on its feet by redesigning his own to buy openly into the French steel industry, purchasing a 25 per-Volkswagen as a postwar family car. He later set up his own cent controlling interest in Chatillon-Neuves-Maisons steelworks, company as a subsidiary of Volkswagenwerk and began produc-one of France’s Big Five steelmakers. The following year he engi-ing the sporty and fast Porsche. Willy Messerschmitt, who had neered a deal that gave him a significant stake in Belgian turned out the best fighter plane of the war, became vice chair-industry, buying the largest single block of shares of the Hainaut-man, a director and major shareholder of two peacetime Messer-Sambre steel combine at a cost of \$5.5 million. But one of his schmitt aircraft companies in Augsburg and Munich, and twelve most important holdings was a 40 percent interest in Daimler-subsidary firms in France, Holland, South America, and the Benz A.G. Through a holding company, he also operated a United States. During the 1960s, when the new Luftwaffe was complex of companies making steel, locomotives and industrial being trained at Luke Air Force Base in Arizona, the historian machinery, paper, chemicals, explosives, and synthetic fibers. He of this operation, retired U.S. Air Force Colonel Barney Old-died in 1972 at the age of eighty-nine, again a billionaire and field, now of Litton Industries, wrote that West Germany had again one of the most powerful men in Germany.

paid \$250 million for the U.S. jet fighters in which they trained, But as tycoons retired or died off change came to big industry.

underwriting an annual payroll at Luke of \$8 million. Willy The clans like Krupp, Thyssen, and Henschel that had domi-Messerschmitt was invited to be guest speaker at one graduation; nated West German commerce from their headquarters in he flew his own jet to Luke Air Force Base from his own airfield Düsseldorf and the nearby Ruhr coal and steel basin, are no in Augsburg. As he mounted the podium to speak, the 95 musi-longer active business managers. The last Krupp heir, Arndt von cians of a German band struck up

“Alte Kameraden” (Old

Bohlen and Halbach, was dispensed with in 1967 with a \$800,-

Comrades). He died, esteemed, in Munich in 1978.

000 pension to enjoy life as an international playboy. Heinrich As the big industrialists, who had been convicted at Nurem-Thyssen-Bornemisza runs his private Dutch-based investment berg for helping to create the German war machine, began group from Lugano, Switzerland, and his cousin, Count Fed-emerging from prison in the 1950s, they too went back to work.

erico Zichy-Thyssen, grandson of old Fritz Thyssen, exercises Friedrich Flick, a farmer's son who became one of Hitler's control over Thyssen A.G. from his base in Buenos Aires. Krupp, biggest industrial supporters and had been a Reichsmark billion-Thyssen, and similar giant firms are today run by professional aire during the Third Reich, emerged from prison determined managers with boards of directors strong in representation on 236

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the major banks. The Krupp Company, formerly Germany's all connections with the company, living quietly in Düsseldorf most powerful industrial enterprise, now occupies tenth place until his death in 1974.

on the list of West German corporations, but it is a healthy Despite this

family altercation, Friedrich Flick wanted to tenth, having reorganized in the early 1970s, eliminating such assure a role in the company for Otto-Ernst's three children, unprofitable operations as truck manufacturing, a hotel, and a and especially for his two grandsons, Gert-Rudolf and Friedrich department store in Essen. It is aggressive in Eastern Europe, Christian. He arranged his bequests so that the two and their Russia, and the Middle East. Krupp and the French concern of sister became owners of some 30 percent of the shares. He also Les Forges de Strasbourg, a metal construction group, set up specified that the two grandsons could become full partners a jointly owned subsidiary to produce and market power dam, upon reaching the age of twenty-eight.

bridge, and steel structure equipment in the French-speaking From the time of the contretemps with Otto-Ernst, it was African countries where the French firm has long-standing con-apparent that Friedrich Karl Flick was heir apparent. He became tacts. This merger emphasizes the close ties between the two a full partner in 1961, the third member of a business triumvi-companies before and during World War II.

rate that included his father and Konrad Kaletsch, his father's Krupp also has plans for expansion in the U.S. market, through cousin. Flick, Senior, preparing for the succession, enlarged the its U.S. subsidiary, Krupp International, Inc., of Harrison, New number of partners to six in 1965, bringing in two men of York, a manufacturer of industrial equipment and systems.

Kaletsch's generation, plus his son's friends, Eberhard von German-born Helmut L. Schwarz, who became a naturalized Brauchitsch, Gunter Max Paefgen, and Harms Arnt Vogels. Von U.S. citizen in 1970, states: "We feel that this country will Brauchitsch is a Prussian aristocrat, nephew of the famous field adopt an energy policy which will make more use of domestic marshal of World War II; Paefgen is a convivial, extroverted resources—and we see a significant market in that area in which Rhinelander; Vogels, a sharp-minded and sharp-tongued Ber-we have a lot to contribute."

liner.

Inga Quandt, who as a widow is the surviving beneficiary and Remarking on the family ownership of the Friedrich Flick the inheritor of an industrial

fortune but has little interest in Industrial Holding Company, Friedrich Karl commented in or inclination toward business management, sold a 14 percent Düsseldorf: “My shares will pass to my children, so the family share in Daimler-Benz to the government of Kuwait for \$400

character of the company will be preserved. As most of the million.

shares are already held by family foundations, arrangements However, the Friedrich Flick Group of Düsseldorf does not exist to assure continuity of management if anything should represent absentee management. It is very much part of the happen to me. But I intend to go on working as long as I can.

global multinational scene; before he died Friedrich Flick, still When I am no longer able, then we will see what is to be referred to in Düsseldorf as “*der alte Herr*” (the old gentleman) done.” There are no plans for any public sale of shares. “Un-took steps to insure continued active and family ownership doubtedly the general climate is becoming less favorable to after his death. He and his wife Marie, who died in 1963, had family companies, but there is no reason for us to change things three sons: Otto-Ernst, born in 1916; Rudolf, born in 1919; and yet. We don’t need the money.”

Friedrich Karl, born in 1927. The middle son was killed in action The Friedrich Flick Group enjoys about \$3.2 billion in annual on the Russian front in World War II. The other two entered sales, largely realized from chemical, machinery, and paper ac-business: Otto-Ernst in 1953, Friedrich Karl in 1957. Around tivities. In 1978 it made a concerted drive to expand its invest-1960 there was a sharp break between father and eldest son, ments in various United States corporations. It was able to do which became permanent when Otto-Ernst took his father to this by selling 29 percent of the 40 percent ownership in court to gain control of his inheritance. After several years of Daimler-Benz to Deutsche Bank for \$888 million, which the litigation, Otto-Ernst took a large cash settlement and severed bank then floated off to preferred investors in West Germany and 238

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South America. With this, added to another 200 million Dquent investments

in W.R. Grace & Co., and in U.S. Filter marks realized from the sale of some smaller properties, it Corporation, it was felt by South American bearer-bond share-bought for \$400 million a 29.6 percent interest in W.R. Grace & holders and Deutsche Bank that promising opportunities were Co., a chemical giant and diversified multinational that earned being missed and that growth had flattened out. But today it's \$222.6 million on sales of \$5.27 billion in 1979. W.R. Grace & a resurgence for the Flick Group, and Friedrich Flick again Co. is described as having "recession-restraint" characteristics, presides over a balance sheet that is generally rock solid.

which appeals to the Germans. Flick, with its capital gains Peter W. Grace, heir to the company he assumed control of from these sales of properties in West Germany, was able to in 1945 at age thirty-two when his father had a stroke, was de-take advantage of the West German government's proffered lighted with the fiscal strengthening of the company that his capital gains bonanza that offered up to \$500 million in tax grandfather founded. He has observed that he knew the late benefits to industrial corporations that would invest up to \$1

Friedrich Flick, who was sentenced to a term of seven years in billion in the United States by December 30, 1978, in projects prison, having been convicted of exploitation of slave labor deemed strengthening to the German economy or capable of during World War II. A spokesman for Grace said in Decem-fostering international trade.

ber 1978: "Peter Grace knew the late Flick well. . . . They were Flick likewise paid \$100 million for a 34.5 percent interest in friendly, and he respected him very much."

U.S. Filter Corporation, a high-technology company specializing In these times it is of advantage to the Flick Group to buy in chemicals, pollution control equipment, and engineering ser-extensively into W.R. Grace & Co. Not only is Grace America's vices. The buy-in to U.S. Filter was suggested to Flick by a New fifty-first largest corporation, with annual sales of over \$5 billion, York investment bank, Arnhold & S. Bleichroeder. An interest-but its corporate structure and output along the west coast of ing footnote is that the S. Bleichroeder segment of the firm was South America are strong. The founder, William R. Grace, was founded in Germany in 1803, and later

served as Bismarck's an extraordinary immigrant boy from Ireland who worked him-banker. By the 1930s there were no Bleichroeders remaining in self into becoming a prosperous guano merchant, married the the firm. Driven out of Germany by Hitler, it got together with daughter of a United States ship captain, and thereby became another old German-Jewish bank, Gebrüder Arnhold, founded an American citizen. By 1935 his company had extended over in 1864, and set up offices in London and New York.

western South America, and was in control of 43 different com-But while Friedrich Karl Flick is today definitely the man panies, including sugar mills and five-eighths of the total cotton topping the Flick pyramid in Düsseldorf, which city he insists output of Peru. Old William R. capped his amazing career by will continue to be "my home and that of my company," the twice being elected mayor of New York City, in the last cen-strength behind him and his administration of assets, assembled tury. Grandson Peter W., reared as he was in both Peru and by his father the patriarch, is a strong professional management New York, has always had an affinity for the family Flick as team that works in the background. Flick, Senior, had the same well as for the German community of Peru, small in number approach to family strength as did the elder Fritz Thyssen in but dominant in the industrial and financial structures of this the last years of his life, when he established a structure of nation. Peru has long been a province of foreign capital, repre-immense managerial power that would aid his grandsons in sented chiefly by the International Petroleum Company, Cerro, Buenos Aires in producing perpetual profits for family members Grace (of course), and various Swiss electrical interests. Al-in Buenos Aires and Europe. In the shadows, of course, are the though the army runs the country, it is a small pool of the edu-bearer-bond holders of both holding companies representing the cated and advantaged class, criss crossed by family relationships, Bormann organization, who are business realists and techni-that dominates the economy. So it was altogether natural that cians of the first order. Before the restructuring of Friedrich Peter Grace and Friedrich Karl Flick should arrive at a business Flick Industrial Holding Company of Düsseldorf and its subse-understanding in the domain of interlocking multinationals, 240

and that they should decide it was to their mutual interest to focus in German public life when he led the Ruhr coal and iron joint forces.

producers in their refusal to operate the mines during the French occupation of that area following World War I. Like Hitler and Thyssen A.G., West Germany's most important steel corporation, he despised the Treaty of Versailles as a "pact of dishonor, employs 142,506 people, turns out 11.7 million tons of steel each year, and boasts annual sales amounting to 21 billion marks."

marks. Were Fritz Thyssen alive today, he would take Thyssen's 'support of Hitler commenced just after the period of pride in the fact that his shrewd maneuvers during and after of the Ruhr occupation. In 1923 he had contributed RM

World War II, to retrieve his steel and coal properties in Germany, 200,000 to the fledgling Nazi Party, through General Ludenow, as well as his out-of-the-country assets, had been a stunning success. Several years later Thyssen again came into contact with Hitler.

Hitler via their common opposition to the Young Plan of reparations in Buenos Aires on January 5, 1930, while visiting his daughter. According to statements made by Thyssen to Countess Zichy, he stated to the Associated Press that he had investigators in 1945: "I do not know anyone among the industrialists who was supporting the party financially in 1928; I was he had lost all his property and had been interned for four years then its principal supporter."

years in a concentration camp." He said that he intended to In 1930 or 1931 he had arranged for a credit from the Dutch government in Belgium, where he hoped to live out his days as a Bank voor Handel en Scheepvaart, Amsterdam, to accrue to the

"stateless person."

Nazis, amounting to RM 250,000 to 300,000 of which he repaid. Residence in Belgium was never to be, for he died in Buenos Aires. RM 200,000 to 280,000 out

of his own pocket. In arranging this Aires on February 8, 1951. Nazi authorities had seized his loan Thyssen dealt directly with Rudolf Hess. The money was Vereinigte Stahlwerke A.G., now Thyssen A.G., Germany's spent for the so-called Brown House in Munich, which later largest steel and coal combine at that time, stripping him of his became headquarters of the National Socialist Party.

German nationality, subsequent to his flight to Switzerland on

"The next sum I paid in favor of the Nazi Party," Thyssen September 2, 1939, with his wife, daughter, son-in-law, and continued, "was 150,000 marks, which I paid personally to grandson. In a signed deposition in the Office of the Director Hermann Goering in 1932." After Hitler's rise to power, his of Intelligence, U.S. Group Control Council, on September 4, steel combine contributed to the party a fixed sum for each ton 1945, he stated that he had been forced to leave Germany be-of steel produced. In addition, Thyssen made substantial per-cause he had opposed the war and objected to the treatment of sonal contributions to the Nazis at regular intervals.

Catholics and Jews and to such Nazis as Goebbels, Himmler, After the financial crash of 1931, Thyssen openly embraced Rosenberg, and Ley. He also felt that Goering had coveted his National Socialism. He joined the party in 1933; his member-successful steel combine.

ship number was 2917299. During the following two years he Yet in a document from the U.S. Financial Intelligence dedicated his resources and influence to aiding Hitler, organiz-Group, dated 30 April 1948, Berlin, it was concluded that among ing meetings and raising funds from his industrialist friends. As the German industrialists Fritz Thyssen was a main promoter a reward, he was showered with political and economic favors.

of the National Socialist doctrine, both before and after Hitler's He was one of five state counselors with a seat on the Economic seizure of power. As chairman of Vereinigte Stahlwerke, he Council whom Hitler appointed to that esteemed position for played a decisive role in the Fuehrer's rise through his generous life. He was a National Socialist member of the Reichstag from contributions to the party, and by pressuring fellow industrialists 1932 until the outbreak of the war, and a member of the Insti-to support Adolf Hitler.

Fritz Thyssen started to be conspicuous for Social Order. He was also appointed by the Reich min-242

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ister of economics “Leader of the War Economy” in the iron-Investigation by the American Embassy in Buenos Aires producing industry. As for his personal opinion of Adolf Hitler, duces the following report, of April 30, 1948:

on July 13, 1945, he stated: “After all, I don’t think he did so The holdings of Fritz Thyssen in Argentina may be of interest. The many bad things. I don’t think that in the beginning he only local firm, Thyssen-Lametal Compania Industrial y Mercantil Thys-told lies; but the influence of the Party and his surroundings sen Limitada, formerly importer and manufacturer of rolling mill was very bad.”

equipment, rails and structural steel, has a paid-in capital of In 1936 disagreements began to appear between him and 5,000,000 pesos, and along with its subsidiaries, namely, “Tungar”

Hitler over certain Nazi policies and practices. Thyssen did not S.A., Crefin S.A., Creditos y Financiasiones, T.A.E.M., Speratti resign any of his public offices, however, until 1939, when he Romanelli and Carbonera Buenos Aires S.A., is considered to have departed Germany for Switzerland. From there he moved with assets of approximately 20,000,000 pesos. This firm is controlled by his family to France in 1940, collaborating on a book titled *Stahlunion of Düsseldorf*, through the Dutch holding company *I Paid Hitler*, which was to be published in New York City in Cehandro of Rotterdam. Information indicates that Cehandro is 1941. Later he denied having anything to do with the book, capitalized at 1,000,000 Reichsmarks, of which Thyssen is alleged to but his handwritten corrections on the manuscript, written and hold the controlling interest.

approved on the letterhead of the Hotel de Paris in Monte Files of the local company seized by the junta (alien property Carlo, addressed to Emery Reves, on April 27, 1940, justify the custodian) at the time of intervention indicated that the actual affidavit made in 1945 by Reves that publication was

with shares were held in the name of Theo Ulrich, a German of Rotter-Thyssen's knowledge and blessing.

dam.

Most significant in Thyssen's deposition of 1945 was the The only other property in Argentina in which Fritz Thyssen following: "Before I left Germany, I kept my bank accounts may be interested are two *estancias* (ranches), Don Roberto and with the Deutsche Bank in Düsseldorf and the same bank in Don Federico, the values of which are not known and which are Berlin, but the accounts were not large, for I had no confidence alleged to belong to Calamine S.A., a Thyssen holding company.

in German money. So much money was constantly being spent without being covered that I feared another inflation."

So we see that Fritz Thyssen had become a one-man, pioneer, Anticipating a weakening currency and inflation, Fritz Thys-flight capital entrepreneur before Martin Bormann instituted sen had for years been inconspicuously shifting funds and other his massive thrust to move German assets beyond seizure of the assets to other countries, and placing them in corporations and Allied nations in 1944-45. And because he was the first to underbanks he controlled. He swore to Allied financial investigators: take such a movement without benefit of official certification

"I have no bank accounts in other countries, and no safe de-from the Reichsbank and from the economic policy of leader-positis."

ship of the Third Reich, he was labeled a traitor for contraven-In 1934 he had traveled to Argentina, and upon his return ing the currency policies of the Nazi state, which were voided to the Third Reich reported to Hitler that the president of by Reichsleiter Bormann in the national interest on the fateful Argentina had proposed that Germany would get extra orders date of August 10, 1944.

for its industry if Argentina could sell a considerable quantity of An OSS confidential report distributed in London and Wash-meat to Germany. Hitler was favorably inclined but the German ington disclosed not only that

Thyssen had established a secret farmers objected, fearing that this would lower the price of good account in a Liechtenstein bank, but that he owned the bank German beef, so the overture was dropped. However, the central itself.

reason for this trip was Thyssen's acquiring of South American Thyssen controlled the family Pelzer Endowment Fund in properties and investments.

Switzerland, originally established with substantial funds by his mother under her maiden name, Pelzer. The fund also had 244

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assets in Holland and Belgium. The business generated by this throughout the years preceding and during the Third Reich fund and by other Thyssen holding companies was important were Fritz and Heinrich. Neither liked the other, so they agreed financially to Bank voor Handel and Rotterdamsche Trustees'

to divide their inheritance into two separate spheres of interest, Kantoor, due to the great amounts of money that Thyssen was cooperating only when it was necessary. Fritz's circle of interest siphoning from companies on two continents into safe havens.

became the German holdings, Thyssen Gewerkschaft A.G., In 1937 he moved 1 million Swiss francs to his daughter's ac-Thyssen Co. A.G., Pelzer Stiftung (the endowment fund), and count in his Uebersee (overseas) Trust in Liechtenstein. He Faminta A.G. Heinrich devoted himself largely to holdings shifted 300 kilos of gold from the Pelzer fund to his safe deposit outside of Germany, Bank voor Handel en Scheepvaart, Rotter-vault in a private bank in London, with the knowledge and damsche Trustees' Kantoor, N.V. Handels-en-Transport Maat-approval of the Bank of England. He purchased stocks in the schappij "Vulcan," Rotterdam, Press and Walzwerk A.G., following Spanish, Dutch, and American corporations, accord-August Thyssen Bank.

ing to an Allied investigative report of 1949 in Stuttgart and Heinrich Thyssen became Baron Heinrich Thyssen-Borne-transmitted to headquarters of the investigative branch at Düssel-misza when he married into Hungarian

nobility. In this way he dorf.

had acquired Hungarian nationality, which gave him dual na-15,000 shares series E Compania Hispano-Americana de Electricidad-tionality. He also changed his residence to Switzerland when Chade

German pressures became too alarming, and in time acquired 83,000 shares Kon. Nederl. Petroleum Maatschappij Swiss nationality.

17,000 4% Atchison Topeka 1995

Despite the separation of interests and affection, Fritz always 10,000 4% Central Pacific 1949

retained stock interests in Heinrich's banks and assorted com-7,000 3% Kansas City Southern 1950

panies.

7,000 4% Norfolk & Western 1996

With such an international background in trade and finance, 50,000 4% Southern Pacific 1955

it was natural for Fritz Thyssen to view the tax and other re-To understand the personal financial activities of Fritz Thys-strictions of the Third Reich as burdensome, to be circum-sen, one must know the genesis of his fortune and the ramifica-vented. According to an investigative study of his fiscal tions of his family. The founder of the fortune was old August activities of the thirties by British financial experts, signed by Thyssen, Senior, who died in 1926. He had been divorced in the H.R. Priestly in Düsseldorf on September 3, 1949, Thyssen's 1880s, his wife agreeing to accept an annual income. Her share first step in a long dance of tax and currency frauds began when of the family fortune was then transferred to the four children, he disposed of his shares in the Dutch Hollandische-Ameri-August, Junior, Heinrich, Fritz, and Hedwig.

kanische Investment Corporation. On his instructions Dutch August, Jr., died in the 1930s, with no interest in either the accountants valued the sale at RM

1,250,492.12, and this was German or the foreign holdings of the family, other than his transferred to Germany. But the true value amounted to 21

inherited income. Hedwig married a Baron Berg and took her million Dutch guilders, and most of this remained in Holland inheritance in cash, likewise disdaining family business affairs.

to be credited to the family Pelzer Endowment Fund by the Fritz and brother Heinrich, who became Baron Heinrich Bank voor Handel en Scheepvaart, N.V., Rotterdam, the bank Thyssen-Bornemisza, inherited the foreign and German partici-founded in 1916 by August, Senior.

pations held by August, Senior. Hans and Julius Thyssen were It came later to the attention of a pair of German tax officials nephews of the old man, minor figures in the Thyssen opera-named Brill and Jansen that Fritz Thyssen and the two Thyssen tions. Neither was actively engaged in the business; Fritz ad-nephews, Hans and Julius, owed RM 40 million to the German ministered their participations.

government in back taxes. Payment of these delinquent taxes Thus, the two principal figures of the Thyssen fortune was not pursued because by this time “the entire assets in Ger-246

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many of Fritz Thyssen had been declared confiscated by the is revealed by documents found in the files of the Foreign Reich.”

Exchange Department at Düsseldorf by the Joint Special Finan-The relinquished property consisted of relatively small bank cial Detachment, U.S. Group Control Council, Control Com-accounts in Deutsche Bank, an estate in Bavaria near Straubing, mission for Germany (British Element), Düsseldorf, August an estate in Mechlenberg, the house in which he lived near 31, 1945.

Muelheim, and the crowning jewel of his assets, the steel comIn 1941, political developments in South America prompted the bine. As Thyssen stated in 1945:

Vereinigte Stahlwerke to camouflage its Brazilian subsidiary com-

“My chief property was my participation in the Thyssen company, Stahlunion Rio. A deal was worked out between the Vereinigte pany in Muelheim. Formerly this company owned the works in Stahlwerke, the Reich Ministry of Domestic Economy, the Foreign Muelheim, but these went over to the Vereinigte Stahlwerke, Exchange Department of Düsseldorf, and the German Embassy in and my company became merely a holding company, without Rio, in order to protect the capital, a large accumulation of profits works. Of this company I held 60 percent; the other forty perand reserves, and merchandise of the Stahlunion Rio amounting cent belonged to my cousins Hans and Julius.”

to more than 20 million Milreis. On 23.10.41 the Reich Ministry Thyssen added: “My 60 percent was confiscated on behalf of of Domestic Economy and on 25.10.41 the Foreign Exchange De-the Prussian government. Under the law originally proclaimed partment Düsseldorf approved and authorized the planned trans-after the burning of the Reichstag, and directed then against actions. Stahlunion Rio was immediately instructed to carry out communists, my nationality was taken away by the German independently all camouflage transactions. Mail or cable could no government and my property confiscated. Under the law, it longer be considered safe communication.

should have gone to the German state, but Goering, as Prime The basic instructions to Stahlunion were as follows: Minister of Prussia, was eager for it-not only for the property, 1. Cash on hand was to be used for the purchase of securities of but for my little art collection, and I believe this was the reason German companies and other European companies in countries it was confiscated by the Prussian state.”

under German influence. These securities were to be deposited in Goering did not keep the securities; he had the art collection.

bank-safes in the name of reliable foreigners or burnt by the German Thyssen’s securities were distributed to various individuals, but embassy in Rio. In the latter case a list was to be kept and properly the majority shares were held by the Prussian state. However, safeguarded. This would later permit a reissue of securities.

the Thyssen holding company and the mills of Vereinigte 2. All merchandise on hand was to be mortgaged and the proceeds Stahlwerke were blended into a vast combine, and the products were to be camouflaged as outlined in paragraph 1. Merchandise was also to be disposed of by sale at very low prices to reliable tin of steel continued to roll under private management, all customers and agents who were to sell them for current prices and though the government laid down the directives.

keep the profits in trust for Stahlunion Ltda.

The knowledge that government administrators now pos-3. Part of the funds was to be used for investments in Brazilian assets of Fritz Thyssen's foreign properties and his activities in firms or purchase of factories in order to retain and employ the camouflaging these assets came to the attention of Bormann, workers and the sales staff.

who had succeeded Rudolf Hess. It was October 1941, and sufficient quantities of the desired securities were not available Bormann had approved the policy of providing assistance to a on the Brazilian Stock Exchange. This fact caused a change in plans few large industrial firms so that they might divert discovery of as follows:

their overseas assets. The decision was a prelude to the all-1. Brazilian securities, which were prevalent, were to be purchased encompassing Bormann program of 1944 to establish 750 new and deposited in bank-safes. Stahlunion Rio was to keep the keys.

firms as safe havens for fleeing German capital. An example of 2. If seizure or blocking of the safes appeared imminent, securities how this camouflage action was initially planned and carried out in the safes were to be removed and substituted by worthless objects.

3. Before communications were broken off, the loan of limited 248

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amounts to confidential persons was suggested as an additional camouflage operations from the German Ministry of Economics in camouflage measure.

Siemens Electro Company Rio was mentioned Berlin. He determined that when he set up his safe haven flight in this connection.

capital program, he would not duplicate the mistakes of 1941

4. *A certain Mr. H* and his relatives were to be used as trustees for made by the Ministry of Economics.

many camouflage transactions. His full name is never mentioned in In Lugano, Switzerland, meanwhile, Fritz Thyssen was ex-the records. [However, it was later stated that “Mr. H. was Dr.

aming his options. There was no future for him in Germany Heida of Rotterdam, a Fritz Thyssen proxy and collaborator who while the war continued, although he had his clandestine ar-played an important role in Thyssen’s foreign transactions,” accord-rangements. The German underground leaders had talked to ing to a statement on September 3, 1949, by H.R. Priestly, a financial him about participation, but although he sympathized he knew investigator in the Control Commission for German-British Element at Düsseldorf.]

their cause would fail. The Nazis had the country by the throat, Supporting documents for this report are in possession of the and would relinquish power only by defeat on the battlefield; Devisenstelle Team, Düsseldorf.

such reverses would be a long time coming. In Lugano he had H.B. Resnik

talked on several occasions with Hans Bernd Gisevius, who Although the above report refers to Brazil it is to be expected that worked for Hjalmar Schacht, head of the Reichsbank. Gisevius similar instructions were given for the Argentine.

was shortly to leave Schacht and become number one man to Admiral Canaris, head of the Abwehr and a silent force in the Following these camouflage directives, Vereinigte Stahlwerke Schwarze Kapelle, the underground movement that aspired to A.G. established these subsidiaries:

capture Hitler or to assassinate him, and then to substitute a government that

would sue for peace. Failing to enlist Thyssen, 1. Cia. de Mineracao de Ferro e Carvao, Rio

Gisevius became Allen Dulles's pipeline to Admiral Canaris, 2. Cia. Siderurgica Brasileira S.A., Rio

who had arrived in Berne in 1942 as chief of station for the 3. Syndicate Mineire e Metallurgiee de Brasil, Ltda., Rio OSS and President Roosevelt's personal representative for clan-4. Soc. de Mineracao Catharinense, Blumenau

destine operations in Switzerland and on the European continent. Gisevius had a good run as a Dulles agent until uncovered Stahlunion Export A.G., Düsseldorf, the export arm of Ver-by the Gestapo and obliged to flee to Berne in 1943. After six einigte Stahlwerke, A.G., paid Kurt von Dellinghausen, a Ger-weeks in hiding, he crossed the Swiss border with false Gestapo man mining engineer employed by Vereinigte Stahlwerke to credentials.

represent their interests in Brazil, and Dr. Salvatore Pinto, Thyssen thought about England. His prewar connections gave Junior; they had a hand in every subsidiary in Brazil.

him entry into the highest circles. This included Winston Chur-Pinto's chief interest, however, was the Companhia de chill himself. All of them knew they wouldn't last a week were Mineracao de Ferro e Carvao S.A., of which he was co-manager Germany to overrun the tight little island, whether by war or by with Dellinghausen and nominally majority shareholder. Both treaty, which is why Churchill underplayed the arrival of Rudolf served as proxies for Fritz Thyssen and were the conduits for Hess in 1941 as an emissary of peace. Thyssen had handsome vast sums of money to the Thyssen interests in Buenos Aires.

bank deposits in London, including the 300 kilos of gold be-Stahlunion Ltda., Vereinigte Stahlwerke A.G.'s chief subsidi-longing to the family Pelzer Endowment Fund. There was also ary in Brazil, was vested by Brazilian authorities in 1942 before his steel subsidiary in Wales, under the direction of Sir William the Germans could transfer all shares to nominal Brazilian First.

Although his British funds were blocked, the knowledge ownership.

that they were there was comforting. In his deposition of 1945

These lessons were observed by Reichsleiter Martin Bormann to Allied investigators, Thyssen told of the visit paid to him in when he received confidential reports on the Brazilian camou-Lugano in March 1940 by Sir William First, who said the Bank 250

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of England and the British government wanted him to sur-friendly to France, both became imbued with the doctrines of render the gold in exchange for an equivalent amount in pounds Adolf Hitler. The Freikorps Rossbach, unlike Thyssen, believed sterling credit. Thyssen agreed to the exchange, after obtaining in direct action in the field, not social ostracization. Hitler and permission from his eighty-five-year-old mother in Brussels, who the new National Socialist German Workers Party drove at had founded the endowment.

combating communism and bringing financial stability to Ger-Thyssen had good relations with top American government many. Martin Bormann joined the NSDAP at this juncture, and industrial leaders too; in 1940, when he went to Paris, but not until January 5, 1933, did Thyssen officially join the American Ambassador Drexel Biddle provided the Thyssens Nazi Party. The German resistance in the Ruhr succeeded.

with U.S. passports for a proposed journey to Argentina via As Thyssen and Bormann made their ways into positions of Spain. In Paris Mrs. Thyssen became ill and could not travel power within the National Socialist Party, Allen W. Dulles for a time. The Thyssens soon proceeded to Cannes. By May observed from the wings. During World War I he had been an 1940, the Germans had overrun France and they were turned espionage agent serving the United States in Switzerland against over to the Gestapo. Goering explained to Thyssen later, "The the German and Austro-Hungarian empires. Between the wars, French did not want to have you in France and gave you over in the twenties and thirties, he socialized with the elite of Ger-to the Gestapo."

man industry and banking, traveling on international corporate law business for the New York firm of Sullivan and Cromwell, In the light of this event, Fritz Thyssen was fortunate to have which served German-American business accounts. He grew had a long-time relationship with Martin Bormann, beginning friendly with Fritz Thyssen, but knew Bormann only casually.

in 1923.

The ruler-to-be of Germany's economy was climbing quietly, French troops had moved into the Ruhr in that year to grab managing the finances of Adolf Hitler and the Nazi Party. Yet steel mills and coal mines as reparations, and to destroy the Dulles caught on that, as Hitler was voted into office, Bormann industrial capabilities of Germany. The move was contrary to was the one to watch. It is axiomatic that you keep an eye on the wishes of the United States and Britain, which did little the number two man-the man who does the work. At a Berlin more than wring their hands and file diplomatic objections.

reception attended by Hitler, Thyssen, and Bormann, Dulles Fritz Thyssen had organized the Ruhr industrialists into a re-left Thyssen's side to seek out the diligent and inconspicuous sistance force, which refused to make steel or dig coal for the Bormann, chatting with him about the future of Germany and French.

Anglo-German-American rapprochement. Bormann ventured, Bormann, then the youthful district leader of the Mecklen-according to a conversation I had with Dulles in 1969, "There berg Freikorps Rossbach, a paramilitary organization established is room for the three nations in the world today without war, to disrupt French military movement in the Ruhr, had carried but the Third Reich must not be checked in its drive for eco-out a series of daring sabotage exercises by night, while working nomic and diplomatic parity. I favor alliance with England and as an estate manager by day. Hardly more than a boy, he came Poland and a particularly close relationship with America, as to the attention of Fritz Thyssen. The two-tiered resistance—

does the Fuehrer." Dulles remarked that Bormann was not the Freikorps and corporate—was financed by the industrialists. At grubby, uncivilized man he had been led to expect. "He was a time of raging inflation throughout

Germany, the Reichsmark soft-spoken and direct, but while he talked to you his eyes con-had little value. But Thyssen and his peers in the Ruhr had tinued to keep watch on Hitler and those surrounding him. I printed scrip to finance the resistance through workers' wages.

felt he was a man of strength who might one day best his more The relationship between Thyssen and Bormann was limited, colorful rivals in the Nazi hierarchy."

but when Bormann was released from Leipzig prison after serv-The Thyssens were transferred to Germany on December 2, ing a one-year sentence for political assassination of a traitor 1940, and passed two and a half years in a lunatic asylum near 252

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Berlin, on the assumption that Thyssen was mad because he he had been Thyssen's guest speaker in 1932, the occasion that had voted against the war. Treatment in the asylum was good, had brought him the support of the Ruhr industrialists. As with distinguished prisoners such as the Archduke of Austria Thyssen told it:

paying for their maintenance. Hermann Goering arrived one It is a very funny thing about Hitler's influence at such meetings.

day to interrogate Thyssen, probing about his assets and testing I don't actually remember but it is possible that at the close of the to see if the industrialist had changed his mind about the war.

speech I cried out "Heil Hitler!" as I have been reported in the Goering learned nothing about Thyssen's foreign assets, and was *New York Times* to have done; I think the "Heil Hitler!" salute told that he and Hitler were on the wrong course. Goering was used at that time. It was a very successful speech; he persuaded remarked that they would be invading Russia the following year.

them that he had a lot to offer Germany, that he had a good Gestapo examinations were intense and lasted for many weeks, program for Germany.

always breaking off at the end of a regular work day. Thyssen He declared that he favored:

said, "My life was never threatened by the Gestapo. I was not 1. Restoration of the Hohenzollern in the form of a moderate king-submitted to physical torture. One of my interrogators . . .

dom like England;

offered his hand, but I refused it. He was quite angry, but did 2. Alliance with England;

not hit me.

3. Alliance with Poland.

"Another gentleman who questioned me, Abendroth, was All this was very reasonable and I believed him. My faith in his very polite, probably because he thought I had helped another words was strengthened by his promise to establish a social order gentleman of the same name in Switzerland. The latter's wife according to the plan of Dr. Klein (of I.G. Farben) and myself, a was of Jewish origin."

plan which should realize the ideas of Pope Leo XIII as expressed Fritz Thyssen's episodes with the Gestapo never took a nasty in the famous encyclical "Rerum novarum." When Hitler had formed his new government everything seemed to be all right. He turn because Bormann had instructed SS General Mueller to made an alliance with Poland, he concluded the fleet arrangement handle Thyssen with care. Bormann was Thyssen's protector with England, he arranged the Concordat with the Pope, he made for old times' sake, and he admired the man who had given so nonaggression pacts with different countries, and he declared that much aid to the party when it sorely needed it. Also, Bormann in the future he would live in peace with France.

felt Thyssen was his ace in the hole if he ever needed a personal But after the burning of the Reichstag Hitler showed more and pipeline to Allen W. Dulles. Dachau and Buchenwald both more of his real face. He began to act

against the constitution by received Thyssen, but in both instances Bormann had the Thys-dissolving all parties with the exception of his own, he allowed sens quartered in a house outside the main concentration camp Rosenberg's propaganda against the Catholic Church, he broke areas. Then, when the Third Reich was reeling from the on-the Concordat, and the persecution of the Jews got more and slaughter of Allied forces, he had them moved south to the Tirol, more intense.

where they would be set free by advancing American troops. It was the best Bormann could do; he could not free Thyssen, for In 1936 Thyssen concluded that his influence with Hitler had he was outranked by Goering and Himmler, and Hitler would come to an end. He began to utilize his foreign subsidiaries as have been affronted at the release of the man who had disdained collection points for money that never even entered Germany, him in the late thirties. "Not only did he write insulting letters and within the Third Reich he stonewalled the tax collectors to me questioning my decisions but he openly consorted with by keeping two sets of books. When the German army took Jews in Düsseldorf," Hitler had complained to Bormann. In over Holland, suspicious German tax officials searched for 1936, 1937, and 1938 Thyssen had the leading Jewish bankers records of the Pelzer Endowment Fund in Rotterdam, but the of Düsseldorf join him each week for luncheon. It rankled the records and files had been destroyed. Under examination by the Fuehrer that the meetings were held in the same club where Gestapo in 1940, Thyssen was vague in his recollections of for-254

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eign assets. The Gestapo held Thyssen for four and a half prosperity through Thyssen A.G. Elder grandson Count Federico years. Following his release by American troops in the Tirol, Zichy-Thyssen of Buenos Aires was placed on the board of he was equally vague when it came to pinpointing the locations this German steel trust. When the count votes at board meetings and extent of his funds. Allied examinations stretched from in Düsseldorf three or four times a year, he votes for the entire 1945 to 1949, a period when Thyssen was fighting for return Thyssen family of South America and Europe.

of his German holdings, as well as those in Holland and Bel-Count Federico Zichy-Thyssen, who has a younger brother gium. As late as September 3,

1949, a British government Count Claudio Zichy-Thyssen, represents the largest single financial investigator complained:

shareholding group, with 25 percent of the stock of Thyssen A.G.

The remainder of the stock is diffused into Deutsche Bank in Thyssen continuously evades . . . or else gives contradictory re -

Frankfurt and Buenos Aires, which holds shares for many individuals. . . . he seemed to be perfectly in the picture on matters vital on both continents, including those representing the relating to the foundation of the Overseas Trust Company, and the Bormann group.

transfer of assets from the Pelzer endowment into that company, Countess Zichy resides permanently in West Germany. Her being well aware of the fact that assets belonging to his daughter Hungarian husband had supervised the turning of thousands of acres into productive farm and cattle land, following under the flimsy pretext that these were matters which concerned their flight from Europe in 1940. These ranches in Argentina his daughter.

and Paraguay and the villa in Buenos Aires are occupied by her two sons and their families, who, it is said, "represent the old Fritz Thyssen knew by 1949 that he was just about home wealth of Buenos Aires."

free. Being stripped of his German nationality by the Third Fritz would have liked that.

Reich was a plus in the postwar years, when Allied occupation forces were trying to determine the true ownership of securities. But if the heirs of the old German elite are moving away and other assets that had been seized by the Nazis. He put in from industry, the opposite is the case with the hard-driving claims for all he had owned in Germany, Holland, England, professionals who manage the destinies of the giant firms that Belgium, Argentina, and the United States, using the fact of continue to bring prestige and profit to the Federal Republic, being a "stateless person" as sufficient reason for return of the who are the engineers of the German economic leadership.

confiscated property. In time, it all flowed back to him.

I.G. Farben, the Third Reich's most substantial foreign in- With everything again in his hands, Fritz Thyssen departed come producer, was back in business 60 days after the war in Europe in January 1950. First, he paid a visit to Thyssen A.G., Europe ended. But in 1947 the U.S. Military Government an-which had undergone a rebirth since the bombings of World nounced that I.G. would be dissolved into 47 smaller corpora-War II, when it was 90 percent demolished. But under the tions. Then American and British foreign policy took a different management of Dr. Hans-Gunther Sohl, today chairman of the turn: the cold war was on and both Washington and London Advisory Board and chief executive of Thyssen A.G., the mills wanted to halt any Farben breakup. By 1950 emphasis was on were again producing at capacity. En route to South America, a strong West Germany and industrial recovery, and it was Thyssen stopped off in London to check his British holdings finally decided that the I.G. plants should be reorganized into and bank statements. He then proceeded to Buenos Aires.

three companies: BASF (Badische Anilin and Soda-Fabrik), During the final year of his life, in Argentina, dividing his Bayer (Farbenfabriken vorm. Friedrich Bayer & Co.), and time between the villa in Buenos Aires and the ranches, one in Hoechst (Farbwerke vorm. Meister Lucius and Bruening). Four Argentina, the other in Paraguay, Fritz Thyssen completed smaller concerns under the Farben mantle—Agfa, Cassella, establishing the control that would assure everlasting family Kalle, and Huels—were also in contention. Under pressure from 256

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Washington and London, and from the shareholders of the old team camp on the spot for the three-week siege, it was led by Farben stockholders protective committee, who lobbied for their the president of Boehringer, Kurt Englehorn.” Recalls Watson: interests in Bonn, the Allied High Commission agreed to a plan

“I never saw a more tenacious group. They beat out the others of 159 I.G. plants’ being formed into the Big Three (BASF, with thoroughness and staying power.”

Bayer, and Hoechst). Agfa also went into the Bayer structure West German firms such as these are today generally model and Cassella and Huels went their way as independents. In multinationals, having come a long way toward their goal of October 1954, treaties were signed in Paris ending the occupation—understanding people generally, and Americans in particular.

tion of West Germany. In 1955, when the Federal Republic of Germany, the new Farben image is best observed on the French-Germany became a sovereign government, the shareholders of German border at Strasbourg. On any working day you can see the new companies held their first annual meeting. Most were stand on the river frontier where a bridge straddles the Rhine—

former I.G. stockholders, and one of the first motions passed a traditional invasion route of three wars—and watch 10,000

was to change the Allied bylaws, mandating changing from Alsatians streaming across the border from France to their jobs open stock ownership back to the secrecy of bearer shares. There in the German chemical plant of Badische Aniline and Soda—was relief in Switzerland and in South America, where financial Fabrick, the giant electrical firms of Siemens and Bosch, and secrecy is a way of life; it is quite necessary to the continuation Dow Chemical. The Alsatians say working conditions and pay of the Bormann organization.

are better than in France.

The Big Three are today the largest chemical companies in According to Chancellor Helmut Schmidt, West Germany the world. Each is now larger than I.G. itself in its heyday, and is to become increasingly an “exporter of patents, process, tech—the growth potential seems unlimited. The chairman of Bayer nology, and blueprints.” Companies like Volkswagen brought A.G. has set a goal of \$1 billion in the U.S. market for Bayer the Federal Republic through the sixties in good shape, but now A.G.’s subsidiary in America, Mobay Chemical Company. The nearly all German industrial authorities agree that the future Allied Liquidation Commission had separated the big banks belongs to manufacturers of sophisticated equipment like that from their branches. But when occupation ended the banks turned out by such firms as Siemens. Siemens A.G. of Munich coalesced again and Deutsche

Bank, Commerzbank, and keeps 30,000 engineers and technicians busy at four research centers. Dresdner Bank continues their leadership.

The company registers 20,000 patents a year and markets 100,000 individual products in almost every sector of the patient professionalism of German managers backed up by technical engineering, accounting for \$16 billion in worldwide sales by heavy spending on market research. William Watson, a U.S.

It continues strong in South America, and has current acquisition man for German firms in America, observed, "In contracts ranging from the \$1.1 billion addition to Argentina's many cases there's a very seductive natural 'fit' where a German Atucha nuclear power complex to a \$41.5 million telecom-buyer can marry a U.S. firm's selling skills and strong market communications installation in Paraguay for their good friend Presi-base with its own financial strength and often superior tech-talent Stroessner. They expect sales in the United States to grow and wider product range."

average \$500 million annually, but, above all, the United States Mr. Watson described the circumstances of one such bargain-offers Siemens a hunting ground for the small electronics coming session. The German firm of Boehringer Mannheim wanted companies that it has been buying up, such as the Microwave Semi-conductor U.S. firms that were marketing in its U.S. drug-product conductor Corporation in New Jersey, or Aerotron, Inc., a North Carolina area, all controlled by Bio-Dynamics. At one point the six Carolina manufacturer of radio and telephone equipment.

motels surrounding the Bio-Dynamics head office near Indian-The Federal Republic has become Russia's biggest trading airport were each a headquarters for competitive teams partner. In 1977 the two countries exchanged about \$5 billion angling for the prize, Bio-Dynamics. "Not only did the German worth of goods, as U.S.-Soviet trade dropped 28 percent to

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about \$1.75 billion. The West Germans are currently building American

plants and the neighboring communities. By the 1970s a gigantic multibillion-dollar steel plant and refining complex at the West Germans had concluded that influencing U.S. public Kursk, site of the greatest tank battle in history, waged by the opinion is better accomplished with a skillful touch than with a Panzer divisions of the Wehrmacht and Soviet armored divi-meat cleaver, which had characterized their efforts during the sions in 1943. The Germans have also gained contracts from two world wars. An example of such skill was the staged news Russia by paying for the use of licensed patent processes owned event of June 5, 1972, when Willy Brandt announced at Harvard by American firms. The firm of A.E.G.-Telefunken, by using University that the Federal Republic of Germany would donate licenses from General Electric, won a \$732 million contract for 150 million marks (\$47 million) to establish a foundation in gas turbine pumps for the “Friendship” gas pipeline from west-honor of the Marshall Plan—a statesmanlike approach to the ern Siberia to the West German border in 1976. The 25-year recovery of former enemies, and to the recovery generally of trade pact signed by the Federal Republic of Germany and the Western Europe. Brandt stated that the money would arrive in Soviet Union in 1978 was hailed as a new breakthrough. But the equal installments for the next fifteen years, for the establish-Germans were not so sanguine. Otto Wolff von Amerongen, ment and operation in the United States of an independent head of West Germany’s industry and trade association, dis-American-run educational foundation specializing in solutions counted the importance of the agreement:

to European problems, to be known as the “German Marshall

“It is not a historic accord. It gives German industrialists the Fund of the United States—A Memorial to the Marshall Plan.”

chance to plan better and the possibility to accelerate ex-The overriding function of this German George C. Marshall changes.”

Research Foundation is public relations, to cosmeticize the He meant that each future industrial contract would be care-German industrialists and bankers whose corporations had fully scrutinized by the Germans. If previous loans made to the worked so successfully for the Third Reich. In October 1978 the Russians are not in the correct repayment stream, there will be Marshall Foundation was utilized as a platform for Dr. Hermann no

substitution of sheep and plum jelly for cash in return for J. Abs, now honorary president of Deutsche Bank A.G., as he German machinery and steel pipes.

addressed a meeting of businessmen and bankers and members The intensity and drive of German businessmen has also of the Foreign Policy Association in New York City on the produced a feeling of rejection among the young of West Ger-

“Problems and Prospects of American-German Economic Co-many, who can’t quite figure out why so much energy is being operation.” This luncheon meeting was chaired by his old friend, expended on making money. This attitude in turn puzzles their John J. McCloy, Wall Street banker and lawyer, who had parents, who feel the affluent young have been pampered and worked closely with Dr. Abs when McCloy served as U.S. High do not appreciate the monumental struggle of the past thirty Commissioner for Germany during those postwar reconstruction or so years to build a thriving nation out of rubble.

years. At that time, Hermann Abs, as chief executive of Deutsche The older Germans also wonder why these young people, Bank, was also directing the spending of America’s Marshall student activists and even terrorist sympathizers, should be dis-Plan money in West Germany as the chairman of the Recon-satisfied. Dr. Michael Haltzel, an American who has worked in struction Loan Corporation of the Federal Republic of Ger-West Berlin for several years, questioned whether a nation could many.

in the long run sustain itself with a philosophy so prosaic as With them on the dais were Henry H. Fowler, Wall Street

“enrich yourself.”

investment banker and former U.S. Secretary of the Treasury; The Germans of the present decade are handling their rela-Henry Cabot Lodge, former U.S. ambassador to the Federal tions with the United States public and the Congress with the Republic of Germany; George C. McGhee, another former greatest of skill. Even BASF of Frankfurt has received American American ambassador to West Germany, also a trustee of the awards for imaginative

work in improving relations between its Marshall Foundation and a member of various private and gov-260

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ernment advisory groups. These, along with the others on the has no background ownership file with the SEC because it has dais and in the audience, represent firms and banks that are never had to go public. When Thyssen bought Budd Manufac-among the most prestigious in the United States and through-turing for \$275 million, it was in cash, and therefore there was out the world; all benefited from the rebirth and rebounding no requirement for corporate disclosures to the Securities and prosperity of the new Federal Republic of Germany. Knowingly Exchange Commission.

or not, these figures and their corporations are indebted to the Still, good will is cherished, and German industrialists and man who was not there, the financial and administrative genius bankers continue to strive to project a friendly German image who set the foundation for the postwar recovery of West Gerin the United States. One noteworthy announcement, made many, Martin Bormann.

from Washington, D.C., in March 1979 was that 57 priceless This stroking of American public opinion by German inter-Old Master paintings from the collection of Baron Thyssen-ests, as by those of Japan, is calculated to open further the Bornemisza would be taken on a tour of the United States in American market. The United States remains the richest and 1979 and 1980. This collection of great masterworks is said to the most profitable market on the face of the earth, and these be—except for the Royal Collection of the queen of England—

businessmen and bankers know that they either buy their way the greatest private art collection now in existence. This public in or negotiate their way in. They know that if they are going traveling exhibit constituted a major achievement as a public to succeed as world companies they must have a generous slice relations ploy. Ever cautious, however, no German firm under-of the U.S. market, and today this can be accomplished only wrote the tour; Indian Head was kept out of the picture. In-through ties, treaties, and agreements, no longer entirely through stead, a major U.S. corporation was

chosen to underwrite the retained earnings and bank lines of credit.

masterworks tour. United Technologies of Hartford, Connecticut-A pair of living representatives of separate branches of the cut (152,000 employees, 200 plants, and a worldwide marketing Thyssen family learned such facts of corporate life at an early operation in power, flight systems, industrial products and ser-age. Count Federico Zichy-Thyssen acquired his knowledge vices), agreed to underwrite the cost of the venture as a favor from grandfather Fritz Thyssen; his cousin Baron Hans Heinrich to its German friend in Lugano, Switzerland. The project was Thyssen-Bornemisza acquired similar corporate wisdom from initiated from Lugano; the baron, after consulting with his his father, old Fritz's brother, Heinrich Thyssen. The latter corporate image advisors, agreed to United Technologies rather became Baron Heinrich Thyssen-Bornemisza and took up resi-than Indian Head with its hidden shareholders. The foundation dence in Lugano, Switzerland, gaining Swiss citizenship. As that made all arrangements was another privately endowed, Count Zichy represents the largest shareholder group in Thyssen nonprofit organization, International Exhibition Foundation. It A.G. from his home in Buenos Aires, the young baron directs made the approach to United Technologies and also brought his interest from his Villa Favorita in Lugano.

aboard the prestigious Andrew W. Mellon Foundation and the One such holding in the United States is Indian Head, Inc., Federal Council on the Arts and Humanities.

with American corporate headquarters at 1200 Avenue of the When the baron came to Washington for the official press Americas, New York City. Thyssen Inc. has its U.S. offices preview of the tour he arrived, trim and bouncy, and at fifty-farther down this avenue at number 1114, in the W.R. Grace & eight years of age, fit, fluent in French, Italian, English, and Co. building. Indian Head is a wide-ranging manufacturing German. He expressed delight with American cooperation. A conglomerate, with 42 plants in the United States and 10,400

speaker at the Washington press ceremonies was Hubert Faure, employees. It enjoys annual net sales of close to \$604 million.

president and chief executive of United Technologies Otis For an industrial corporation of such size it has a remarkably Group and a director of UT. He spoke warmly of his long-time low profile. It distributes no annual report —"We are a privately friendship with Baron Hans Heinrich Thyssen-Bornemisza.

held corporation." Like Thyssen Inc., in the United States, it It was a job well done. Old August Thyssen, Senior, who had 262

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founded the family fortune, would have given good marks to his up Textile Mills. The outcome was a sordid tax case, which descendant for perspicacity in a country where good will and turned up in law books under the title, *Commissioner of Inter-image mean so much.*

nal Revenue v . Textile Mills Securities Corporation, with the Following the two world wars, the Germans have always latter losing, its appeal denied by the U.S. Supreme Court.

launched drives for the return of their "vested enemy assets."

Another noted case was that of the German Corporation, After World War I, German industrialists began an organized Metallbank, seeking the return of \$6.5 million held by the campaign.

Alien Property Custodian. This time the Germans went straight One example was Textile Mills Securities Corporation, an to the heart of a decision; they arranged an attempt to bribe American holding company engaged in trading in securities as the attorney general of the United States, Harry M. Daugherty, agent for foreign companies. The German group contracted along with Thomas W. Miller, then Alien Property Custodian.

with Textile Mills to "represent them in the United States with It worked, and in September of 1921 Custodian Miller took the object of presenting their cause to Congress," and to obtain two checks drawn on the U.S. Treasury in the sum of \$6,453,-

legislation for the return of their assets from the Alien Property 979.97 to the Ritz-Carlton Hotel in New York City, returning Custodian. The German assets in this situation involved \$60

these assets to the Germans of Metallbank. Later, a German million. The fee promised for the return of their properties was representing Metallbank made delivery to an individual re-pre-10 percent, or \$6 million. The retainer contract was conditioned sending the attorney general and the alien property custodian upon the ability of Textile Mills to get the legislation pushed of \$391,000 in U.S. Liberty Bonds. Word got out, and brought through before the adjournment of the 70th Congress.

about the criminal indictment in the U.S. District Court for The first step taken by Textile Mills was to employ the Ivy the Southern District of New York, on May 7, 1926, of Daugh-Lee public relations firm to generate propaganda involving "the erty and Miller. The custodian was sentenced to 18 months in sanctity of private property." The Ivy Lee firm went to work.

Atlanta prison; the case against the attorney general ended in a Its expertise in remolding public opinion was unquestioned, hung jury.

and among its clients was John D. Rockefeller I. The firm pre-There were other cases, but those that succeeded for the Ger-pared speeches favorable to the German cause for delivery by mans were situations in which the German owners of companies prominent American public figures, and flooded U.S. newspapers in the United States changed the names or juggled the stock with comment and stories urging the return of seized German and started new companies with assets of the previous firms.

assets. It was a smooth campaign directed equally at the influen-Throughout the 1950s and 1960s, West German industrialists tials of Washington and New York and at grass-roots America.

and bankers in the Third Reich conducted campaigns resem-Meanwhile, Textile Mills hired two Washington-smart lawyers, bling those of the 1920s for the return of German assets. Some Warren F. Martin, former special assistant to the attorney gen-properties were sold off by the U.S. attorney general to the eral, and J. Reuben Clark, former solicitor in the State Depart-

highest private bidder, among them General Aniline, an Inter-ment. These men advised on the preparation of two supportive handel I.G. Farben holding company mentioned earlier, while brochures: Status of Enemy Property: Interpretations of Trea-others found their way back to full German ownership, in one ties and Constitutions; and American Policy Relative to Alien fiscal fashion or another. In a few instances, American indi-Enemy Property. Textile Mills employed F.W. Mondell, attor-viduals became touched with corruption that reached even into ney and former representative in Congress, to make proposals the U.S. Congress. A distinguished U.S. senator was investigated to congressmen to promote speedy passage of the wanted legisla-and rebuked for his impropriety of conduct by a Senate com-tion; he appeared before congressional committees, flanked by mittee of his peers, the beginning of the end for Senator Thomas Ivy Lee men and other specialists. This aggressive approach, T. Dodd. He had had a close and peculiar relationship with along with wining and dining and bribery, eventually tripped Julius Klein, who had been retained by German interests to 264

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polish up their image in the United States. Julius Klein & Associ-the United States but with all Latin American countries, so I am ates, a Chicago-based public relations firm, was handsomely only a little part of the activities for their group.

THE CHAIRMAN: The law is quite clear that you should identify paid, for Ruhr industrialists calculated that having a Jew front-your principals. You don't question that, do you? Now to state that ing for them in the United States would be good business.

you represent a good will society or friendship society without During June and July of 1966 Klein occupied the attention stating any of the people—.

of a Senate Committee on Ethics, which was looking into the JULIUS KLEIN: I have the list here.

foreign agent activities of Mr. Klein. He had been lobbyist, THE CHAIRMAN: State who the members of the society were.

political public relations counsel, and foreign agent for the JULIUS KLEIN: The General Secretary is a distinguished counsel—.

Society for German-American Cooperation, an umbrella for THE CHAIRMAN: Were these the officers in 1960 when you filed?

such firms as Mannesman A.G. of Düsseldorf, Rheinmetall of Do they control the society?

Düsseldorf, Flick A.G. of Düsseldorf, Daimler-Benz of Stuttgart, JULIUS KLEIN: Yes, sir.

Der Spiegel magazine of West Germany, the State of Hesse in THE CHAIRMAN: Who are they? Put their names on record.

Frankfurt, and Bayer Aspirin and Pharmaceuticals. When Chair-JULIUS KLEIN: Dr. Gerhard Hempel, former mayor of Weimar, man Fulbright opened hearings in the Senate on May 14, 1963, now the General Secretary of the group—.

THE CHAIRMAN: Is he the man with whom you negotiated the Julius Klein was hesitant in identifying his German principals: contract?

JULIUS KLEIN: Yes, sir.

THE CHAIRMAN: On April 6, 1960, you filed the first registration THE CHAIRMAN: Did you file his name when you negotiated, for a committee representing German industrialists and civic leaders, when you filed in 1960?

is that correct?

JULIUS KLEIN: No, in 1960 I negotiated with Dr. Janssen, the JULIUS KLEIN: Yes, Mr. Chairman. The committee doesn't like to president of the Frankfurter Bank, and that is the way I registered.

have their name in newspapers or registered and so on and so forth, THE CHAIRMAN: Why didn't you file the names so we could therefore, they call it a group. Every time when I came to Germany, identify your principals? This

is a major point I would like to make.

three or four times a year, they had a group together, about 150 or I just wondered why you didn't do this? You identified Mr. Hempel.

200, that I addressed. They agreed that they would permit me to Was there anyone else?

file the name of the board, which I did. But the Frankfurter Bank JULIUS KLEIN: Yes, sir.

was the principal, Mr. Chairman.

THE CHAIRMAN: Who are they?

THE CHAIRMAN: Was the bank employing you or was the bank JULIUS KLEIN: Dr. Walter Leiske, former mayor of Frankfurt.

merely the conduit for payment?

THE CHAIRMAN: What is he now?

JULIUS KLEIN: No, the bank was the agent for this group, Mr.

Chairman. As a matter of fact, the head of the bank was the chair-JULIUS KLEIN: He is a distinguished consultant on economics, he man of the group, and he was the toastmaster at every dinner that is an economist.

I appeared at, at Frankfurt.

THE CHAIRMAN: Consultant to whom?

THE CHAIRMAN: It doesn't help me yet as to who your principal JULIUS KLEIN: To industries in Germany.

is. Will you please try to clarify in my mind and the committee THE CHAIRMAN: Who else?

record as to whom you represent?

JULIUS KLEIN: Mr. Udo Boeszoermany, banker from Stuttgart, JULIUS KLEIN: Well, Mr. Chairman, I represent a society in Ger-and Dr. Paul Schroeder, another banker from Stuttgart. They con-many for the purpose of promoting good relations between the stitute the executive committee for the board of directors.

United States and Germany. These are my principles and to the best THE CHAIRMAN: How do they procure their funds?

of my knowledge I translated into English the name of that society JULIUS KLEIN: Well, Mr. Chairman, that should be addressed to (Foerderkreis fur Deutsch-Amerikanische Zusammenarbeit, the Sothe group. All I am interested in is to get paid. Where they get the ciety for the Promotion of German-American Cooperation). That money from and how is their business.

society does not alone promote the good will between Germany and THE CHAIRMAN: You are not interested in who pays you?

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JULIUS KLEIN: I don't care where the money comes from, as long Abs, then and now doyen chief of Deutsche Bank and a direc-as it doesn't come from Nazis or Communists.

tor of Daimler-Benz and Siemens.

THE CHAIRMAN: If you don't know, how do you know it does not The full scope of Julius Klein's political lobbying on behalf come from Communists or Nazis? Can you give the committee any of his foreign clients did not surface until two other Senate ideas on what basis they paid you? Do they pay you any specific committees held hearings. One was the Subcommittee of the amount or must you accept whatever they choose to send you?

Committee on the judiciary of the U.S. Senate in the 85th JULIUS KLEIN: Oh, no, Mr. Chairman. I have an arrangement Congress, and the other consisted of hearings before the Select which was originally made with the

Frankfurter Bank when they were acting for this group, that I would get between \$125,000 and Committee on Standards and Conduct of the U.S. Senate, in \$150,000 a year.

1966, relating to Senator Thomas J. Dodd and his relationship THE CHAIRMAN: It is this committee's business as to who your with Julius Klein.

client is, and I am not satisfied that you have disclosed your At the select committee hearings, Senator George Smathers principal.

of Florida made this statement: "It is my understanding that Dr. Hermann J. Abs, former director of I.G. Farben and a The interrogation of Julius Klein before the Senate com-prominent financial figure during the Hitler regime, is the committee continued, still without full disclosure of the key prin-mon denominator of this group seeking return of vested enemy cipals of his society client; although it developed that Dr. Paul properties of World War II."

Krebs, a director of Deutsche Bank, had also paid Klein between Senator Smathers also pointed out that the foreign agents'

\$75,000 and \$100,000 a year—"I've forgotten the amount, Mr.

registration statement for this project was signed by "the Wash-Chairman"—on behalf of the Society for the Protection of For-ington law firm of Ginsburg, Leventhal, & Brown, the Washing-eign Investments. Early on, long before his appearance before ton law firm of Boykin & De Francis, and the public relations the Fulbright committee, Klein had been effective, and word firm of Julius Klein & Associates." Those who signed for "The was passed to other German firms that Daimler-Benz A.G. had Society for the Promotion of the Protection of Foreign Invest-signed a contract with Klein under the terms of which he was ments" were Dr. Paul Krebs, a Deutsche Bank director, and

"to supply Daimler-Benz with situation reports on political, Hermann J. Abs, president of the board of directors of the economic, technical, personnel, or general and other conditions society.

that might be of interest to the business development of D-B

These hearings were being widely reported in German news-A.G. in the United States of America.”

papers and on television and radio, and Julius Klein suffered a Another area of German foreign agent activity was revealed falling away of his German clients discomfited by the unwel-when Klein testified that prior to his German society, govern-come publicity. He turned to his friends in the Senate for help; ment, and industrial accounts, he had represented for one year his friends included Senator Dodd, the late Senators Hubert the Republic of Panama for \$40,000; this was followed by a Humphrey and Everett Dirksen, Senator Jacob Javits, the late contract with an organization that Klein described as being Senator Kenneth Keating, and Senator Mundt. Klein virtually

“formed by Lord Shawcross of England and Mr. Hermann Abs demanded of Senator Dodd that he make a special trip to Bonn of Germany to bring about a Magna Carta for the protection of and speak with Chancellor Adenauer and others to persuade foreign investments of World War II.” Lord Shawcross, a them that he, Klein, was highly regarded by senators on both distinguished barrister and financier in the City of London and sides of the aisle, and that his Germans should not fear to con-a board member of many international firms, had also been tinue doing business with him.

chief prosecutor for the United Kingdom before the Interna-So Senator Dodd traveled to Germany on behalf of Julius tional Military Tribunal at Nuremberg. Here he also renewed Klein; who had contributed so much money to his campaigns his prewar, wartime, and postwar relations with Hermann Josef and to his personal life style. His meeting in Bonn with Chan-
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cellor Adenauer was arranged by Dr. Ludger Westrick, state been an ardent contributor to Himmler’s Third Reich club secretary in the Office of the Federal Chancellor, likewise a known as “Friends of the Reichsfuehrer-SS.” The characteristic director of the Society for German-American Cooperation. On secrecy surrounding the actions of German industrialists and his return to Washington Senator Dodd sent a fulsome letter bankers during the final

nine months of the war, when Bor-of praise, written by Klein, to Ludger Westrick, who had been mann's flight capital program held their complete attention, promoted to minister. One phrase therein, "I know of your was also carried over into the postwar years when they began splendid record," was not without unintended irony. For West-pulling back the skeins of economic wealth and power that rick had another type of record, which had been concealed but stretched out to neutral nations of the world and to formerly which was known to the OSS. He was a classified "Wehrwirts-occupied lands.

chaftsfuehrer," a leader associated with notorious Nazi enter-There was a suggestion of this in France. Flora Lewis, writing prises, and he had also been a district economic advisor to from Paris in the New York Times of August 28, 1972, told of Reichsleiter Martin Bormann.

her conversation with a French publisher:

The Senate committee found Senator Dodd's relationship with Julius Klein indiscreet, one that went beyond the proper

"It would not be possible to trace ownership of corporations and role of a United States senator. But because of an inability to the power structure as in the United States. 'They' would not identify and question Klein's German clients, they declined to permit it. 'They' would find a way to hound and torture anyone pass a formal motion of censure on Dodd's relationship with who tried," commented the publisher.

him. However, as the Klein association was only one of many

"They" seem to be a fairly small group of people who know indiscretions of Senator Dodd that the committee had under each other, but many are not at all known to the public. "They"

investigation, this Senate committee on ethics later censored move in and out of government jobs, but public service apparently Dodd for diverting to his use more than \$100,000 in campaign serves to win private promotion rather than the other way around.

funds.

The Government “control” that practically everyone mentions The importance of the Klein affair, hardly earth-shaking in cannot be traced through stock holdings, regulatory agencies, public retrospect, is the clear picture it presented to the American decisions. It seems to function through a maze of personal contacts public as to how press agents and lobbyists for foreign interests and tacit understandings.

work themselves into the mainstream of United States political power and contort legislative processes to the gain of their The understandings arrived at in the power structure of France clients. Today there are 647 registered and active Americans so reach back to prewar days, were continued during the occupa-occupied, and this figure does not include the many thousands tion, and have carried over to the present time. Lewis, in her of foreign nationals residing in the United States and spending report from Paris, commented further: “This hidden control of all their time promoting their own national interests; Koreagate government and corporations has produced a general unease in is but one example.

Paris.”

While not really illegal, it was Julius Klein’s boldness of Along with the unease, the fact that France has lingering and manner in suborning an elected member of the United States serious social and political ailments is a residue of World War Senate to his own ends that projected him onto the front pages II and of an economic occupation that was never really termi-and frightened off his West German clients, who preferred, as nated with the withdrawal of German troops beyond the Rhine.

always, to hide their movements, and to act with circumspec-It was this special economic relationship between German and tion and secrecy. One of the first to leave the Klein client list-French industrialists that made it possible for Friedrich Flick ing was Friedrich Flick of Düsseldorf, the tycoon who had also to arrange with the De-Wendel steel firm in France for purchase of his shares in his Ruhr coal combine for \$45 million, which 270

was to start him once more on the road back to wealth and photos, and credentials of the particular CBS cameramen: power, after years in prison following his conviction at Nurem-Lawrence Walter Pierce, Richard Henry Perez, and Oden Lester berg.

Kitzmilller, an award-winning camera crew (which got the ex-West Germany's economic power structure is fueled by a clusive film coverage of the attempted assassination of Governor two-tier system: the corporations and individuals who publicly George Wallace when he was running for president).

represent the products that are common household names I am sorry to say that the younger leaders, the ones now in around the world, and the secretive groups operating in the virtual command, voted "No." They did agree, however, that background as holding companies and who pull the threads of 232 historical documents from World War II, which Bormann power in overseas corporations established during the Bormann had had shipped out of Berlin in the waning days of the war, tenure in the Third Reich. As explained to me, "These threads and which are stored in his archives in South America, could be are like the strands of a spider's web and no one knows where sent to me anonymously, to be published. They said their they lead-except the inner circle of the Bormann organization lengthy investigation of me had produced confidence that I was in South America."

an objective journalist, as well as a brave one, for their probing That there is a Bormann organization is unquestionably true.

stretched back to World War II days, and up to the present.

I know from personal experience. During years of research for Heinrich Mueller, now seventy-nine years old, who also serves this book, I have become aware of Heinrich Mueller and his as keeper of these archives as well as chief of all security for the security force, which provides protection for the leadership in NSDAP, rejected this decision; when the courier reached the Latin America and wherever else they may travel to Europe and Buenos Aires international airport bearing these documents for to the United States to check on investments and profits.

me he was relieved of them by the Argentine secret police acting Through intermediaries, I have attempted unceasingly to pene-under an initiative from Mueller.

trate to the central core of the organization in South America, As Mueller had explained previously, he had nothing against but have been denied access. At the last meeting that I know me personally; I had been cleared of any "strange connections"

about, it was voted: "Herr Manning's writing would focus un-by his agents in New York City, whose surveillance efforts were due attention on our activities and his request must once again supplemented by the old pros of the Gestapo up from South be denied." The elderly leaders, including Reichsminister Bor-America to assist in watching me. This continued intermittently mann, who is now eighty, wanted me on the scene to write of for years, and efforts were stepped up in response to the intensity their side of the story, above all his story, of one of the most of my investigations. The statement I had originally made to amazing and successful financial and industrial cloaking actions their representatives in West Germany, that I was only a dili-in history, of which he is justifiably proud.

gent journalist trying to dig out an important story, finally I had sent word to Bormann that the true story, his firsthand proved satisfactory to them. I observed that Mueller hadn't lost account, should become a matter of historical record, and his touch in the field of surveillance, judging by the quality, stated that I would be agreeable to writing it if I could tell his skill, and number of men and women who tracked me, at what true story, warts and all. Back came the word: "You are a free must have been enormous cost, wherever I went in New York world journalist, and can write as you think best. We, too, are City, Washington, and overseas. In rejecting my request for a interested only in truth." They agreed to my request to bring meeting with Bormann, and in intercepting the documents, along a three-man camera crew from CBS News to film my con-Mueller sent word that other factors outweighed any consid-versations with Martin Bormann, and even approved my wish eration for me: the KGB, the CIA, and President Stroessner of for at least a personal thumbprint of the former Reichsleiter Paraguay, "who just does not like inquiring reporters." I then and party minister, which would be

positive proof of his identity.

got the information from West Germany that Israeli agents At the organization's request, I sent the background, names, had somehow learned of my project, and they were also follow-272

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ing me. I asked one of the SS men if the Israeli exterior secret directors and handled labor relations and personnel. With service, the Mossad, was good. His reply: "Yes, but they learned Daimler-Benz as his managerial base, he became influential everything from us."

in the metal industry, and during a bitter labor dispute was So this is a facet of the secret world surrounding Reichs-instrumental in the lockout of 300,000 workers.

minister Bormann in South America today. Many of his asso-As West Germany entered a period of attack by terrorists, ciates can travel back home under other names and false Hanns-Martin Schleyer held no illusion that he might not be a passports, and they do. General Hermann Buch, adjutant to target. He is reported to have written a memorandum months Heinrich Himmler during World War II and Bormann's before his death, that were he captured by terrorists he would brother-in-law, was invited to address the "Old Comrades" of refuse to be traded for jailed extremists. When captured, the Das Reich Division at their annual reunion. He made his way terrorists attempted just that, to exchange him for the release of from Buenos Aires to Rosenheim in West Germany, where he eleven imprisoned comrades. There was no deal, and Schleyer, spoke, recalling the old glory days for them all. But Reichsmin-sixty-two, was found dead.

ister Bormann must ever remain in exile, although those who The German-South American group also had direct access represent him bring credit to his organization and to the new to the Nixon White House through their representatives in Germany of today. Among the distinguished industrialists and Washington, and were proud of the fact that Bebe Rebozo was financiers of the Society for the Promotion of German-Ameri-President Nixon's closest friend. For, knowingly or unknow-can Cooperation (including Latin

America) who gathered three times a year in Frankfurt to listen to Julius Klein tell Florida bank as part of normal commercial operations. They then what he was doing to promote their cause in the United States were also amused, perhaps flattered, that H.B. Haldeman, Nixon's chief of staff, liked to refer to himself as the Bormann organization, on's chief of staff, liked to refer to himself as the Martin Bormann link in the chain between Germany South America and the elite man of the White House.

industrial power structure of West Germany. Even General It amuses them too that the penetration of the American Gehlen, when he was chief of the Federal Republic's intelligence market is referred to as a German invasion, a blitzkrieg, so to speak service, sent his agents to confer with General Heinrich Mueller in South America. One West German business leader in 1939. When Chancellor Helmut Schmidt, a former artillery officer dear to the hearts of the Bormann group was Hans-Martin officer on the Russian front, told U.S. Treasury Secretary W.

Schleyer, a victim of abduction and murder by terrorists in 1977.

Michael Blumenthal in 1978 that the United States should do He had been president of the West German employers and more to put its economic affairs in order, they concurred with industry federation, and German newsmen called him "the top the advice, thinking it quite appropriate, as well as indicating boss in the country." Schleyer, a brilliant administrator and a the status enjoyed today by the Federal Republic of Germany.

graduate in law from Heidelberg and Innsbruck, had joined the It views the establishment of factories in the United States as Nazi Party and the SS; in 1943, at the age of twenty-eight he a welcome portent of German-American equality. The residents became the administrative chief at headquarters of the industrial of New Stanton, Pennsylvania, are not so sure; they have well-federation in Nazi-occupied Prague, charged with making the coming Volkswagen A.G. and the assembly lines that will prosper Czech economy productive for the Third Reich. After the war, duce 200,000 Rabbits annually, yet their emotions are mixed.

he became an economic administrator, headed the foreign trade The mayor of New Stanton speaks of jobs and money being department of the Chamber of Commerce and Industry of pumped into the local economy. Still, many say, "We know this Baden-Baden, and in 1951 joined the Daimler-Benz Company.

is progress of sorts, but we also see coming traffic, pollution, and Helped along by the support of Friedrich Flick and the shadowy other problems. If we wanted to live in Detroit, we would have men in South America, he became a member of the board o f

moved there."

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Like the Japanese, the Germans appear to be exporting many the former German chancellor is fighting an uphill battle. Jews of their polluting industries to the detriment of the environ-the world over are determined that their persecution by the ment wherever they go. Concerned that host countries will be Nazis will not be forgotten, and in Washington, D.C., the forced to institute protectionist measures against them, the powerful Jewish lobby pushed through the House a \$2 million Japanese are keeping a low profile, as do German entrepreneurs appropriation for a Nazi Crime Litigation Unit to investigate of the Rhineland, while they grope for the winning friendship even at this late date 147 alleged Nazis, most of them non-formula to install them in the good graces of Americans.

Germans but East Europeans who had aligned themselves with Americans today, particularly those old enough to have par-the SS, who have lived in the United States for over twenty ticipated in World War II, may ponder at times as to who years. The work of this congressional investigative unit will go really won this struggle that cost so dearly. The entire world right on making occasional headlines, although not with the and the Federal Republic of Germany, to say nothing of Japan, impact of the Holocaust book and TV series of 1978, which had have come a long way since the German surrender at Rheims been carefully timed as a Zionist reminder to the supportive and

the Japanese capitulation aboard the U.S.S. Missouri.

American Congress of Jewish suffering, and thus a reiteration The memory of those days continues clear and present in that Israel should be neither downgraded nor abandoned during today's Federal Republic of Germany. There are political divian era critical in Middle East history.

sions in the new republic, but there is a common unity over the Further, the sometime headlined surfacing of Nazi concen-question of the Third Reich and the crimes of Nazism: The tration camp commanders such as Gustav Franz Wagner, who German people and their leaders want to put away the past, had been residing modestly for thirty-three years in Brazil, makes

“the darkest chapter of German history,” as former Chancellor the Brandt spirit of reconciliation and amnesty more arduous.

Willy Brandt declares, and move forward in a spirit of common But inasmuch as it was Mr. Brandt and his government that reconciliation. Mr. Brandt told the editors of Der Spiegel, the provided Martin Bormann with what amounted to a “passport West German newsweekly, at the occasion of an editorial round-to freedom” in 1973 by stating that the former Hitler aide had table in June 1978, that “our people, of which millions became perished in Berlin in 1945, it may be possible to achieve the Nazis, cannot live with a wound remaining open . . . it is not philosophical unification he seeks for West Germany.

right that a people should be continuously burdened by some-While Germany's bankers were collectively responsible for t he thing in which they became entangled ... we must be aware of financing of Hitler's war effort, the dean of them all is Hermann the differences among guilt and error and idealism that has Josef Abs. Money was his life, and his astuteness in banking and become misused.” He also remarked that “half of the people international financial manipulations enabled Deutsche Bank to of Germany today were born after the war and they need not serve as leader in fueling the ambitions and accomplishments of be concerned about the Nazi era. But the great majority of our Adolf Hitler and Martin Bormann. His dominance was retained people wish to put an end to the nonsensical theme of collec -

when the Federal Republic of Germany picked itself up from its guilt; an ending of the matter can, in my opinion, be done from the ashes; he was still there as chairman of Deutsche Bank, directed only on a morally unobjectionable ground, namely to hide nothing of I.G. Farben, and of such others as Daimler-Benz and the thing that happened, but also not be like the Pharisees, an giant electrical conglomerate, Siemens. Abs became a financial agent and notably self-righteous Jewish sect, which emphasized to the first West German chancellor, Konrad Adenauer, a strict interpretation and observance of doctrines and religion and was a welcome visitor in the Federal Chancellery under Mr.

religious practices.”

Adenauer's successors, Ludwig Erhard and Kurt George Kiesinger. While Mr. Brandt urges “Let's forget the whole thing,”

Kiesinger. However, relations with Kiesinger chilled when in mind that the free world cannot exist divided against itself, May 1969 he advised against revaluation of the West German 276

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mark. Kiesinger thought this advice was responsible for his then how to bid with the usual signals to prevent anyone from election defeat that year; but, more likely, it was his revealed catching on, you know, stamping his foot, twitching his eye, Nazi background that did him in.

raising a finger, and so on,” Walther commented.

Although top bankers of the world, even such as Abs, make Of the \$20 million made available to Mr. Abs by West Germany their mistakes like everyone else, they operate in such insulated man federal, state, and museum authorities, the Abs bidders and rarefied milieus, that misjudgments are covered up. This dispensed more than \$19 million to bring back home these was the case when Abs led the drive in the United States in the priceless works of early and later German masters. Interior Minister Gerhart Baum declared: “The preservation of these pre-ing a Chicago press agent and lobbyist with close ties to museum art

works for German culture is a good example of bankers of Congress.

successful cooperation involving private donors, art experts, and Several of the new generation of West German bankers main-federal and state governments.” In addition, it was agreed tain that Abs, now eighty-two years old and retired, has outlived among West German art professionals that recouping the von his usefulness, although he is still respected for his past accom-Hirsch collection was, to quote one of them, “the last oppor-plishments. One hip young German banker remarked, “He re-tunity to preserve art objects of a unique quality for German minds me of a perfume bottle that is empty yet still smells culture.”

good.” He added, “Politically speaking, bankers in Germany Today in Frankfurt, the many friends of Hermann Josef Abs have been devalued.”

agree that he has not lost his touch.

Yet Dr. Abs can never be devalued. In June of 1978 this Nor has Deutsche Bank, the largest in Europe and third adroit financier, considered by the majority of Germans to be a largest in the world, lost its touch for international investments patriot, pulled off a coup noted around the world. Painstakingly on behalf of its clients residing in West Germany and South and in secret, he headed up a West German consortium that America. It has bought two skyscrapers in Houston, Texas, the snatched from the hands of speculators of other nations nearly Pennzoil and the Shell buildings. As Vice President Ferdinand \$20 million of German art treasures to be returned to museums Krier of Deutsche Bank remarked, “Our clients believe American in the Fatherland; the achievement took place at Sotheby Park real estate is an attractive proposition at this time. Our goal is Bernet’s London auction gallery. This fabulous collection had to offer interesting opportunities to our clients.”

been the property of Baron Robert von Hirsch, a German-reared One of the more stupendous investment opportunities cur-Jew who had fled with his treasures to Switzerland in the 1930s rently interesting this West German bank is the purchase of the when the political situation was growing ominous. He died in massive World Trade Center in lower Manhattan.

Basel in 1977, aged ninety-four, and in his will ordered that the The economic unification of West Germany is complete, and works of art be sold at public auction. Since the collection was if there is any doubt in Europe who in the long run won the of immense importance to German museums and to all cultur-peace there is none whatsoever among the former German ally and historically inclined Germans, federal, state, and art leaders dwelling in South America. It is a good bet that if authorities turned to Hermann Abs for guidance in retrieving it Hermann Schmitz were alive today he would bear witness as to all. It was he who planned the strategy and coordinated the who really won. Schmitz died contented, having witnessed the winning bids. For his assault on Sotheby's he assembled a net-resurgence of I.G. Farben, albeit in altered corporate forms, a work of art dealers in several nations, according to Rudi Walther, money machine that continues to generate profits for all the old a member of the Bundestag and of Abs's team. Most thorough, I.G. shareholders and enormous international power for the the German banker even calculated and prepared a set of spe-German cadre directing the workings of the successor firms. To cial signals to cue his team of international buyers. "He put differ-all appearances he died in relatively reduced circumstances, in ent strawmen to bid for each item on our list. Then he showed 1960, at the age of seventy-nine, though immensely wealthy 278

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during his lifetime. Any information about his fortune seemingly nationalizing industry and emphasized that German wealth for vanished with his death; but those who knew him believe it still one and all depended on German production.

exists. He was the master manipulator, the corporate and finan-But it is just as true that the river of wealth back into West cial wizard, the magician, who could make money appear and Germany from assets sequestered by Martin Bormann and the disappear, and reappear again. His whole existence was legerde-corporations that participated in his brilliantly conceived pro-main, played out on the gameboard of I.G. Farben and his gram of flight capital was a major factor in the recovery of the beloved Germany. The son of poor parents, born in Essen in nation—and the best-kept secret in all German history. The 1881, a loner who made it to the top through ability, diligence,

return of capital began slowly. As factories were rebuilt and hard work, and singleness of purpose, he resembled Martin revved up for production, money from Swiss banks representing Bormann, who likewise had more than just a feel for the matter—their secret accounts flowed into the Rhineland. It was termed matematics but never went beyond high school, and had to make it investment money, and the first corporations to enjoy its impact on his own. Their association was close and trusting over the years were those with demand products: automobiles, steel, and years, and it is the considered opinion of those in their circle chemicals. Ferdinand Porsche, who designed the famed “Tiger”

that the wealth possessed by Hermann Schmitz was shifted to tank, redesigned Hitler’s “people’s car,” the Volkswagen, and Switzerland and South America, and placed in trust with Bora new factory was erected to turn it out. Daimler-Benz shortly afterwards, the legal heir to Hitler.

had its Mercedes cars and trucks rolling from the assembly Schmitz’s wealth—largely I.G. Farben bearer bonds converted lines, and as the giant industrial complexes geared once again to the Big Three successor firms, shares in Standard Oil of New York for full production and business, the smokestacks of Essen told Jersey (equal to those held by the Rockefellers), General Motors a story of full employment and the eagerness of workers and investors, and other U.S. blue chip industrial stocks, and the 700

managerial staffs to get on with the job of climbing up from secret companies controlled in his time by I.G., as well as shares zero to total output. The Swiss bankers themselves, watching in the 750 corporations he helped Bormann establish during the funds they were directed to invest in these German industries—the last year of World War II—has increased in all segments of tries, also invested their own funds and those of their German, the modern industrial world. The Bormann organization in, British, French, Belgian, Swiss, and American clients. One South America utilizes the voting power of the Schmitz trust American occupation officer was advised by his Swiss banker to along with their own assets to guide the multinationals they invest his modest army salary in West German automotive firms.

control, as they keep steady the economic course of the Father-

“I gave him carte blanche with my account,” said the officer, land.

“and months later on a visit to Zurich I discovered my few It is true that the resurgence of West Germany was due to thousand dollars had escalated to \$250,000, and was still ap-hard work by its people, assistance from the Marshall Plan, anpreciating.” Regrettably, a problem soon arose: following his infusion of buying orders from the United States military estab-discharge from the army and his return to the United States he lishment during the Korean War, and a fair and free commer-couldn’t declare his secret account, because he had consistently cial enterprise system that enabled business and industry to failed to include it on his U.S. tax returns. A pillar of his com-wheel and deal in world markets and come up with profits and munity, he had to go abroad to spend these gains.

favorable trade balances for the new federal republic. The new Money continued to trickle into West German firms from Deutschmark has grown to high status as the envy of other the private investment sector during the late forties, but not currencies and the equal of the coveted Swiss franc. Allowing until May 5, 1955, when the Federal Republic of Germany be-business to have its head was, to go back, the formula adopted came a sovereign government and the Allied occupation forces by Hitler during the 1930s; he harnessed the people instead of had left, did the enormous sums shifted from the Third Reich 280

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away from threatened Allied seizure become available to those individually boast worldwide sales of nearly \$10 billion annually, groups in West Germany that had participated in Martin Bor-while Hoechst, now the world’s largest chemical company, mann’s program of flight capital.

generated \$16.01 billion in worldwide sales in 1980. Each does Some idea of the liquid assets that had arrived in bulk in more business than E.I. du Pont de Nemours, with sales of South America during those chancy years was given me by an \$9.4 billion. The United States is, of course, the major market, SS friend of Bormann who had worked closely with him. On one into which these German corporations continue to pour one day alone, he recalled, while he was standing alongside investment money for both new

capital construction and cor-Bormann and Mueller and others, he helped unload and list porate takeovers. BASF and Hoechst have each invested in the contents of one courier pouch. He recorded in excess of excess of \$1 billion in such expansions, and chief executive \$4.5 million in assorted currencies, diamonds, stocks, and bearer Herbert Grunewald of Bayer A.G. has said that they plan a bonds representing blue chip corporations in Germany, Switzer-

\$1 billion expansion in the United States within five to ten land, Spain, and the United States.

years. In Europe, Bayer A.G. is parent of some 380 subsidiary His statement is believable when you consider the discipline operations. In the United States, it controls Mobay Chemical, and resourcefulness of a smart group determined to move assets whose annual sales in 1978 of \$779.5 million make it the Bayer from one country to another. It can be done even nowadays, as group's most formidable foreign subsidiary. Miles Laboratories was illustrated during February 1979, when 25,000 Teheran (maker of Alka-Seltzer), Chemagro, Rhinechem, Cutter Labora-Jews fled the Iranian capital with their own flight capital pro-tories, and Harmon Colors are additional Bayer A.G. interests gram. Those 10,000 who flew directly to Israel arrived at Lod in this country that Grunewald says he plans to double as part Airport with treasure that strained the counting capabilities of of his American expansion program.

Jerusalem banks as Jewish owners disgorged their liquid wealth.

Together, these three multinationals assure permanent pros-One Jerusalem bank manager reported a record one-day deposit perity for the original 450 Farben stockholders, their banks, and of \$72 million in thousand-dollar bills, and one Persian rug was the shadowy shareholders of the Bormann organization in South declared to be worth \$30 million when it was unrolled, revealing America who guard and vote the Herman Schmitz trust fund diamonds and gold stitched into the fabric.

through intermediaries at the annual meetings of BASF, Bayer, By 1956 the three major multinationals (Hoechst, BASF, and and Hoechst.

Bayer) reshaped from the 159 companies within Germany that At the most recent annual meetings of these three chemical had comprised I.G. Farben were generating record profits for giants, West German banks, while not holding substantial direct the original 450 major Farben stockholders, who had organized investments in these companies, voted proxies on behalf of themselves into the I.G. Farben Stockholders Protective Com-more than 80 percent of the shares. Direct industrial holdings mittee in Bonn. The Big Three went on expanding, tripling have long been accepted in West Germany as normal bank-capitalization in 1956 from investment funds that poured in industry ties. While the exact extent and size of a bank's hold-from the interlocking companies established in safe haven ings are a closely guarded secret, Hermann Beyer-Fehling of the countries by Martin Bormann and Hermann Schmitz. There Bonn Finance Ministry characterizes the banks as "the largest was a return, more vigorous than ever, of the huge, monolithic power with the most impenetrable connections," which is one industrial multinationals that dominated the German economy reason the Bormann organization continues to grow in stature before and during World War II.

and strength.

Each of these three spinoffs from I.G. Farben today does As German corporations have moved into the U.S. market, more business individually than did Farben at its zenith, when German banks have not been far behind, and in 1979 Deutsche its corporate structure covered 93 countries. BASF and Bayer Bank, the largest non-American bank in the world, opened its 282

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doors in New York City, and will be a formidable competitor to man finance and industry. "All orders come from the share-American banks. A prime objective will be to service the needs holders in South America," I have been told by a spokesman of the growing number of subsidiaries of German and other for Martin Bormann.

European companies in the United States. But Deutsche Bank, And, today, how fares Martin Bormann? After a unique life-which will not seek consumer deposits, intends to compete with time of struggle to the very top, then the years of hiding and America's largest banks for the entire range of corporate

busi-being declared officially dead by the Federal Republic of Germany, from handling companies' daily cash accounts and short-many to absolve them from conducting a manhunt they have term borrowings to piecing together intricate multicurrency never been impelled to make, Adolf Hitler's heir lives a, life of credits and, through a subsidiary, even underwriting corporate ease. He resides in a luxurious estate on an Argentine estancia securities offerings. There is no doubt that the Deutsche Bank,

—a ranch, so to speak—in the province of Buenos Aires. Seven-with \$79.9 billion in assets and more than 1,100 branches in teen percent of all land in this “Queen Province” belongs to 82

Germany and elsewhere in the world, including fiscal strong-family groups, 17 cattle and crop-raising companies, and 20

holds throughout South America, will be able to compete suc-smaller owners. One ranch comprises 260,000 acres, and a cessfully in the U.S. financial market.

medium-sized spread is 120,000 acres. Aside from sheep, cattle, horses, and grain, and the peons who work the land, these As for Martin Bormann, this now elderly recluse is ever a estancias have their own railway stations, churches, hospitals, keen watcher and manipulator in the silent, gigantic struggles telephone and telegraph exchanges, and shops for a handful of among worldwide industrial and financial powers. Atop an orga-people. The economic power of these propertied families is of nizational pyramid that dominates the industry of West Ger-course vast in their own milieu, but it is augmented in the capi-many through banks, voting rights enjoyed by majority tal city of Buenos Aires. There the senior family member speaks shareholders in significant cartels, and the professional input of for the rest in dealings with banks, investments, and industry, a relatively young leadership group of lawyers, investment spe-in Argentina as elsewhere, such as West Germany and the cialists, bankers, and industrialists, he is satisfied that he United States.

achieved his aim of helping the Fatherland back on its feet. To To many of these family corporations the acknowledged ensure continuity of purpose and direction, a close watch is benefactor is Martin Bormann, who brought a

surge of new maintained on the profit statements and management reports industry to Argentina in the late 1940s, making it possible for of corporations under its control elsewhere. This leadership them to broaden and amplify their income base by linking them group of twenty, which is in fact a board of directors, is chaired into banks, insurance holding companies, and the many indus-by Bormann, but power has shifted to the younger men who trial firms established by the newly arrived Germans with the wil carry on the initiative that grew from that historic meeting vast sums he sent to Buenos Aires for safe haven.

in Strasbourg on August 10, 1944. Old Heinrich Mueller, chief Bormann is as protected from seizure as the money and in-of security for the NSDAP in South America, is the most feared vestments he guards, for those he has benefited are grateful.

of all, having the power of life and death over those deemed Simon Wiesenthal, the famed hunter of Nazis, found this out not to be acting in the best interests of the organization.

when traveling to Buenos Aires in search of Bormann. He was Some still envision a Fourth Reich. This is but the dream told in no uncertain terms by the Jewish leadership there to talk of aging adventurers who will soon pass from the mortal cease stirring up trouble, and to leave the country, which he scene. What will not pass is the economic influences of the did. On a directive from Bormann, Jewish and gentile bankers Bormann organization, whose commercial directives are obeyed and businessmen alike are represented in the management of almost without question by the highest echelons of West Ger-German-Argentinian firms, as well as in other West German 284

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corporations in Brazil, Chile, Bolivia, Paraguay, Ecuador, and clearly but seldom speaks of it. He wants to include in his mem-Mexico. For these reasons, and because he was not personally oirs something on why the Jews were treated the way they were, involved in the Holocaust, the Israeli intelligence service no but somehow the words won't come. Perhaps it has to do with longer has an interest in the capture of Martin Bormann, who the psychological barrier that surrounded the Fuehrer's head-they too know is

alive and well in South America. Mengele, the quarters in those days. Some knew what was happening; others infamous doctor of Auschwitz, is another matter. If they could made it a point never to inquire. Even Field Marshal Erwin reach into Paraguay and spirit him away without causing inter-Rommel, during the collapse of Warsaw, turned a blind eye to national political and commercial repercussions, they would do the deportation of Polish Jews whose fate, once deported, did so.

not occur to him, and he was soon lost in the frenzy of pre-At eighty, Bormann is preoccupied with writing his memoirs.

paring to attack France and the lowlands at the head of his own Not being a man of intellectual depths, however, he tires quickly Panzer division. Bormann also had his ever-expanding role to of this self-appointed task. He knows that within himself he has play and he found it convenient to know that the matter was a revealing and historically important story to tell, but he simply a "Himmler problem."

cannot get all the right words out. He writes with pencil, and his Yet the emotional scars are there, the bad memories mixed writing is quickly typed into manuscript form by an elderly with the good. His vast living room on his Argentinian-pampas female secretary. Nothing is ever completed, but the pages ranch is decorated with good mementos of those days: the pile up, and he knows words are his limitation.

Rembrandts and Dürers and other fine paintings that he had If he were working on action-packed directives, as he did purchased or acquired as gifts over the years for Adolf Hitler.

during the years of the Third Reich, or checking the bottom line In his will, dictated and signed on April 29, 1945, in the Fuehrer-of balance sheets to learn the profits and losses of the 750 cor-bunker in Berlin, Hitler instructed Reichsleiter Bormann to porations he established in his flight-capital program, he would keep custody of the paintings, although he expressed the wish be the effective man of action, a man in his right milieu.

that they be placed in an art gallery in his native town of Linz.

His thoughts of the past and present are coherent. He speaks Realizing that this was not practical long before these last days of Albert Speer with disdain, saying that this “technocrat which of Hitler, Bormann had had the Hitler art collection crated we [Hitler and Bormann] made is a traitor to the party. His and shipped to South America. Bormann knew that otherwise memoirs twisted the history of those days out of all proportion.”

they would be seized by the Allies, and he regarded the paintings As for Adolf Eichmann, he tells his intimates, “I told him to as among the treasures of the Third Reich that should likewise leave Buenos Aires and establish himself somewhere in the find a safe haven, along with the other forms of wealth he had interior. He was always a magnet for Jewish kidnappers seeking been responsible for as party treasurer.

symbolic retribution.”

The ruthlessness that characterized Martin Bormann when The nearest he ever got to one of Himmler’s concentration he served Hitler and the Third Reich as Reichsleiter did not camps was the set of photographs (blown up to eleven-by-disappear when he made it to South America. Everyone wanted fourteen inches) presented to him and the Fuehrer by Reinhard in on the wealth, but he sat on it like the chairman of a bank.

Heydrich some months after he had opened the first concentra-

“It belongs to the party, and I am the party treasurer,” he would tion camp on orders from Goering and Himmler. The sight of say, and unless sums requested contributed to the growth of the dead and near-dead rocked Hitler, and the Reichsleiter had corporate entities that his organization controlled, the money to lead him away from the conference room. Heydrich, a real would remain in the banks. He wanted no layabouts, and the butcher who reveled in his task, was never invited to the news soon spread that he was a tight-fisted leader.

Fuehrer’s headquarters again. Bormann remembers this incident One of the few Nazis in exile who never looked to Bormann 286

for money was Dr. Mengele, of Auschwitz notoriety. He was eral Staff. In fact, when Hitler refused, and his forces suffered independently wealthy from his family-owned tractor business twin defeats in the Falaise Gap of Normandy and at Kursk in in Germany, which had a related assembly plant in Argentina, the Ukraine, Bormann knew the war was lost, and took the and this provided all the means a man in hiding would ever steps he did, ultimately, to assure an economically resurgent need, especially in Paraguay.

Germany.

Bormann can still be a man of towering rages, and when this As the Fuehrer in exile guards the party treasury, and keeps a happens his associates walk quietly until the mood subsides.

close eye on the investments and corporations controlled Some Nazi-army veterans in West Germany are occasionally through stock ownership by the organization, the leadership in beguiled by tales of wealth to be had in South America. A story position today remains relatively young and viable. It is run as involving ninety-five tons of gold, supposedly controlled by an a tight operation insofar as expenses are concerned, and the Adolf Hundhammer in Bolivia, became part of the journalistic team of accountants and business representatives who travel legends of 1966. It was read with interest by an officer of the twice yearly to Europe to check things out must detail all ex-Gehlen espionage security forces, who then had himself assigned penses in the manner of normal corporate procedures anywhere.

to South America on a temporary basis. He met with General This team of traveling auditors is accompanied by a covey of Mueller but not Bormann, then went in quiet search of this gold protective security guards provided by SS General Mueller, who treasure. Bormann heard about it from Mueller, exploded, then enjoys to this day the title of Reich minister of the interior in issued an order for termination. The officer was never seen exile. His teams range far afield, even to the United States, when again. As Bormann reasoned, if the Gehlen agent failed to find bottom lines are to be checked out and on-site investments the gold, he would begin ferreting elsewhere, and who knew evaluated. It is said that General Mueller is utterly paranoid what that could lead to.

about his possible capture, which is not quite true. As a former Martin Bormann speaks wistfully of returning one day to inspector of detectives in Munich who became an old Gestapo the Federal Republic, but realist that he is, he accepts that this hand when selected for the job by Heydrich, he learned total can never be. He did return to Europe in secret for a brief caution early, and that is the principle by which he lives today.

period in 1948, proceeding first to Spain, then to Switzerland, As security chief for the Nazi organization in South America where he attended to some of his numbered secret accounts in and Europe, General Mueller keeps a close eye on the leader-Swiss banks. He traveled as Monsignore Augustin von der Lange-ship and on those he feels might threaten them. Israeli agents Lanbach, on a forged Vatican passport. Once his new banking who move too closely to these centers of power are eliminated.

arrangements had been concluded, he visited the grave of his One such termination was Fritz Bauer, formerly attorney gen-wife in the monastery of Merano in northern Italy, then reeral for the State of Hesse in Frankfurt, a survivor of Auschwitz turned to Buenos Aires.

and the man who tipped off the Israeli Mossad about the pres-He enjoys small intimate parties these days in his well-guarded ence of Adolf Eichmann in Buenos Aires, was killed on orders pampas home and discussions with his old comrades about the of General Mueller. His body was found in his bathtub and war, which was lost by such a narrow margin. Winston Churchill listed as "death by heart attack" by the Frankfurt police. The chill's great qualm in 1944 was that Hitler would suddenly real cause: cyanide spray that induces heart stoppage without withdraw into Germany all along the perimeters of his defense.

detection; the same *modus operandi* that Mueller used to kill The result might have been a fortress Germany, marking time the Bormann stand-ins who were placed in the Berlin freight for an expanded arsenal of new and terrible weapons to appear, yards in late April 1945. Mueller's ruthlessness even today is which would have turned the tide finally for Hitler. Bormann what deters Artur Axmann from altering his testimony that he refers to this today, emphasizing that it was fatally unfortunate saw Bormann lying dead on the roadway the night of their that the Fuehrer did not follow this specific advice

of his Gen-escape from the Fuehrerbunker, May 1-2, 1945. This story had
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been composed by Mueller. To this day, Axmann, the only periodically even nowadays, yet there is every indication of a so-called living witness to the "death" of Bormann in Berlin, growing tolerance of the several million who joined the party knows his life is in jeopardy if he reverses himself. General before and during World War II but who did not participate Mueller is thorough and has a long memory, and for a Nazi in the excesses of the SS and the concentration camps. In May such as Axmann to go against Mueller's original directive would 1979, Karl Carstens was elected president of the Federal Repub-make him a traitor; retribution would surely follow. When I lic of Germany; this choice of the electorate followed election questioned one SS man who had once worked closely with of the previous president, Walter Scheel; both were former Bormann in South America about the Axmann testimony, he Nazis.

said, "Axmann knows Bormann is in South America. I don't Pervasive unease remains a characteristic of the nation, de-know why he persists in lying about the fact." He thought a spite the stunning material achievements and its enviably solid moment, then went on, "But perhaps he wants to go on living, economy. Perhaps this insecurity has its roots in memories of which is reason enough."

two sweeping defeats in this century, as well as the strain of When these old comrades meet in business and social ses-having to live with the secrets of the Martin Bormann program sions, they express the hope that one day they can return to the for more than four decades, the secrets that enabled the West Fatherland. Bormann the supreme realist knows in his heart German leadership to stage one of history's most resounding that this can never be. His social gatherings involve interesting comebacks in the arena of international commerce.

people, including the Jewish business leaders who have served Martin Bormann knows this to be so, and confides to his inti-him well, and who in turn are comfortable indeed. As one Nazi mates that while he can never

return to Germany, his lines of expressed it in a fit of pique, "Bormann would rather be with communication remain ever open.. This man, who legally suc- rich Jews than poor Nazis."

ceeded Hitler and therefore is the leader of over several million Count Zichy-Thyssen, grandson of old Fritz Thyssen, is NSDAP members in South America and Germany, demon-looked upon with affection by Martin Bormann, who visits the strated the ultimate in clout in 1971, when he summoned the Zichy-Thyssens upon occasion. Bormann's eldest daughter is said president of the Federal Republic of Germany, then Walter to be almost a permanent guest at the Thyssen ranches. As with Scheel, and the latter's wife Mildred, to Bolivia, whence they the eldest brother, Adolf Martin, the former Jesuit priest, Mar-quickly returned to Europe with a newly adopted one-year-old tin Bormann strongly wanted at least these first of his children boy who bore the first name Simon-Martin. The child, now with him in South America. Adolf, accompanied by his wife, eleven years of age, is being reared and educated in one of visits his father from time to time. Daughter "Neumi" never Germany's most influential families. The belief is, of course, that married and devotes herself to her father in his declining years.

he is a son of Martin Bormann, who insisted that this child of Along with the good life, there is no lessening of safeguards.

his old age be brought up as an upper-class German in his They have been on the run for so many years that it is part of Fatherland and receive appropriate advantages befitting a son their intrinsic survival pattern to question all strangers and any of the leading Nazi.

overtures. Even the Zichy-Thyssens, who in no way participated Is Martin Bormann proud of his achievement? Indeed he is.

in the rise and fall of the Third Reich as did grandfather Fritz, A man of many moods, which can be traced to an exile of evidence anxiety when approached by me with courteous ques-thirty-five years from his homeland, and suffering the physical tions regarding the history of their family and further details vagaries that go with a robust but eighty-year-old body, he turns about the life and career of Fritz Thyssen.

cheerful when commenting on the economic leadership of the Helmut Schmidt, as chancellor, has stated: "It will take fifty Federal Republic of Germany. He didn't do it all, he admits, but years to forget the Nazi past." The Nazi issue indeed rises the economic bastions of power that he established in the neu-290

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tral nations of the world in 1944 were the bedrock enabling the In a lifetime of struggle, vast power, and escape, Martin West German government to rise from defeat, once they had Bormann in his last years can point to one unchallengeable again become masters of their destiny after the Treaty of Paris accomplishment: with the war lost, the goal he envisioned on in 1954.

August 10, 1944, a postwar commercial campaign aimed at The Bormann organization continues to wield enormous eco-bringing Germany back to the forefront of world economic nomic influence. Wealth continues to flow into the treasuries leadership, is won.

of its corporate entities in South America, the United States, and Europe. Vastly diversified, it is said to be the largest landowner in South America and through stockholdings controls German heavy industry and the trust established by the late Hermann Schmitz, former president of I.G. Farben, who held as much stock in Standard Oil of New Jersey as did the Rockefellers.

In 1980 Chancellor Helmut Schmidt said West Germany was the greatest commercial and financial power in the world today after the United States. He declared that West Germany's economic strength was its essential international lever. "For some years now our economic policy had been simultaneously our foreign policy."

This theme delights Bormann as he talks with intimates in the well-guarded privacy of his pampas ranch house. A former CIA contract pilot, who once flew the run into Paraguay and Argentina to the Bormann ranch, described the estate as remote,

"worth your life unless you entered their air space with the right

identification codes.” Count Federico Zichy-Thyssen, grandson of old Fritz Thyssen, Claudio Zichy-Thyssen, and their families are intimate friends of Bormann. Because of this friendship, Martin Bormann has three sanctuaries: his own pampas spread in Argentina and the Thyssen ranches in Argentina and Paraguay.

His eldest daughter caters to his wishes and sees to his comfort. “Neumi” possesses a collection of diaries and photographs from her childhood to the present. One picture, taken when she was two years old in Germany, is today simply captioned,

“Daddy trimming the Christmas tree, 1942.”

Always behind her is the guiding hand of General Heinrich Mueller, the gray eminence of security for the NSDAP and its leader in exile. For Neumi is officially listed as dead, a device that has been utilized six times by Mueller on behalf of Bormann, according to the Israeli Mossad.

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